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Global Drug Summit Proposal Supported

PA1209161593 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 11 Sep 93

[Text] Bogota—Latin American Governments support Colombia's proposal for a worldwide conference on drug trafficking to be held within the framework of the UN's ordinary sessions.

Approval was obtained during the second conference of Latin American justice ministers in Buenos Aires, Argentina. It was agreed that other countries affected by the drug problem would be invited to participate in this worldwide summit on drug trafficking.

With the creation of a common legal entity, participating states will provide one another with mutual assistance for investigations, trials, legal decisions, and the exchange of evidence and witnesses, according to Colombian Justice Minister Andres Gonzalez Diaz. According to Gonzalez, it is not a matter of violating each state's constitutional principles but of broadening the framework of legal concerted effort with full respect for the regulations and principles of international law.

Cuba

Party Assessment Assembly Stresses Cane Recovery

FL1309133693 Havana Radio Rebelde Network in Spanish 0900 GMT 13 Sep 93

[Text] The importance of cane recovery so as to keep Ciego de Avila Province one of the nation's most important sugar producing areas was the subject most discussed at the Ciego de Avila provincial assembly of the Communist Party of Cuba. Analyses were centered on the opinion that Ciego de Avila possesses the conditions for raising and maintaining high sugar production in the midst of the special period. Nelson Torres, a member of the Politburo and the sugar industry minister, made a special speech to the people attending the assessment meeting. He called for doing everything to the cane that it needs to be done.

Such important matters as the agricultural and food program, labor and social discipline, and other subjects of a political and economic nature were also discussed. Politburo member Jose Ramon Machado Ventura was in charge of verbally drawing the meeting's conclusions. He stressed that Ciego de Avila Province will continue to be a bulwark on the Revolution's front line of combat.

Lazo Addresses Santiago PCC Municipal Assembly

FL1309174093 Havana Radio Rebelde Network in Spanish 1155 GMT 13 Sep 93

[Report by Santiago de Cuba correspondent Carlos Sanabria Marrero]

[Text] I thank you for giving me this new opportunity to continue discussing matters related to the holding of the municipal assembly of the Communist Party of Cuba [PCC] here in Santiago de Cuba, an assembly closed with thoughts that are right at the heart of the nation's current situation by Esteban Lazo Hernandez, a vice president of the Council of State.

[Begin Lazo recording] Do not think that just because self-employment has now been established, criminals are going to be able to take advantage of the situation to do whatever they please. We are also going to (?obstruct them with) inspection posts, (?so that) he who is out there doing whatever he pleases illegally will also have to comply.

The other thing that is going to be sanctioned with tremendous rigor is anyone who damages the cane or does any damage in the spheres of biotechnology; public health; petroleum; tourism, which I have already mentioned; nickel, or anything we are doing to save the Revolution. Whoever commits any kind of sabotage or causes any damage in any of these things is going to be severely sanctioned as being a counterrevolutionary. [end recording]

In another part of his speech, in summing up the PCC municipal assembly here in Santiago de Cuba, Esteban Lazo highlighted the PCC's role in the community, and as regards to our province in particular, warned:

[Begin Lazo recording] The enemy would give his right arm to be able to create problems for the Revolution in Santiago de Cuba. Santiago is very valuable to the Revolution. Santiago means a lot to the Revolution. Santiago is the cradle of the Revolution. Santiago is the "heroic city." It is in Santiago where, historically, revolutionaries have exhibited the greatest steadfastness. [applause] And what would our enemies not do.... [pauses, repeats] What would our enemies not give to be able to create problems in Santiago de Cuba? Using criminals, using wicked people, because.... [pauses] worms, worms, and more worms: You know full well that they never show their face. That kind of thing does not come to the forefront, that [words indistinct]. (?It is used here by) the scoundrels, the criminals, the phonies, the crooks, who, in this way, do in fact, all become enemies of the Revolution.

Nevertheless, I, who have been living here for seven years, three months, and 21 days, say that while there may be a few people they can wear down, the immense majority of the population of this place stands firmly alongside the Revolution and no one is going to wear this population down [applause] nor will anyone be able to divide it. [applause] [end recording]

That was Esteban Lazo Hernandez, a member of the PCC Politburo at the municipal assembly of Santiago de Cuba, which has now concluded the assessment process at the municipal level by the province's nine municipalities.

Candido Palmero Discusses Anticrime Measures

FL1309193493 Havana Radio Rebelde Network in Spanish 1155 GMT 13 Sep 93

[Interview with Candido Palmero, Politburo member and first secretary of the Communist Party of Cuba for Havana Province, by correspondent Jose Arteaga in Alquizar, Havana Province—live]

[Text] We are in the company of Candido Palmero, first secretary of the Communist Party of Cuba [PCC] here in Havana Province, and a member of the PCC Politburo. Candido, there is a matter we would like you to address in this interview: The fight against crime in Havana Province, a producer of tubers and vegetables. We would like to know what you people are doing to fight crime.

[Palmero] Well, the work against crime is a constant on the part of the people of Havana, but indeed, over the past few months, the crime situation has practically turned into disorder. There are citizens in both provinces, that is, ours here, Havana Province, and Havana City Province as well, who want to live off the sweat of the workers' brows. While people from the capital and Havana Province come here, people who leave their families for 15 days, a month, or even years, and work selflessly to produce foodstuffs, in the different contingents and in camps [albergados], working 10, 12, even 15 hours a day, there are citizens who think they can simply live off the sweat of these people's brows. These latter people steal, pinch the tubers and vegetables, and then resell them at exorbitant prices.

We have adopted very strong measures against this, very strong, all-embracing measures at all levels of the Unified Vigilance and Protection System. We have reached agreement on this with the offices of the public prosecutor, the courts, the comrades from the Ministry of the Interior, and all the state agencies and mass organizations; and among those measures is the confiscation of the means of transportation they use to commit the robbery. If the person comes on a bicycle, he loses the bicycle; if by horse and cart, he loses both the horse and the cart; if by car or truck, the car or truck is confiscated. In addition to this, the fines can be as high as 6,000 pesos, depending on the person, in addition to a group of legal sanctions that can be applied. I can refer you to that.

Also, we have gotten the entire population up in arms, you might say, the entire population, every province, each and every one of the enterprises and the farms, to protect the tubers and vegetables, but also to forcefully repress those who wish to live off the general population, off our work.

We do not believe we are yet even producing as many tubers and vegetables as the population needs; but above all, what is most important is that everyone get something to eat, and not have one person getting enough to eat and the next person not getting anything to eat at all. Therein lies the Revolution's just principles; and we are going to achieve this by any (?means).

[Arteaga] We thank Candido Palmero, member of the PCC Politburo and PCC first secretary for Havana Province, for this Radio Rebelde newscast, which has come to you live from Alquizar Municipality, Havana Province.

Economic Commission President: No Miracles Expected

FL1409020893 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Sep 93

[Report by Jose Luis Rumbaut]

[Text] The Economic Commission of the National Assembly of the People's Government [ANPP] was established today with Ricardo Alarcon, member of the Politburo of the Communist Party of Cuba and ANPP president, in attendance.

The commission consists of 29 experts in various areas of the economy, including deputies and assistants from research, production and service institutions, and universities. Deputy Osvaldo Martinez, director of the World Economy Research Center and president of this commission, does not believe it can work miracles.

[Begin recording] I believe the commission cannot provide solutions. The commission will have to work jointly with the assembly as a whole, with all the people, with the government, and with the party, in a combined effort to confront very complex and very difficult problems. The commission proposes to make a contribution, within its possibilities, to this great collective effort by our people. [end recording]

The ANPP Economic Commission will be obliged to work under the difficult conditions of the special period with the boldness required to make changes without renouncing the socialist course.

CIEM Director on Economic Committee Work

PA1409044093 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Sep 93

[Interview with Osvaldo Martinez, director of the Global Economy Research Center, by Barbara Betancourt; place and date not given—recorded]

[Text] [Betancourt] All the permanent work committees of the Cuban parliament have been formed except for the one that will be responsible for economic matters. For this reason, we will talk with the person who will preside over this committee. We will talk with Osvaldo Martinez, who is also director of the Global Economy Research Center [CIEM]. In what areas will this committee work? When will it be established?

[Martinez] The committee is going to be established on 13 September. It will cover, particularly, global economic issues, in other words, macroeconomics. We will begin the preparatory phase as of 13 September. First, we will prepare the deputies, the 29 deputies who will be members of the committee. They will attend conferences and debates on topics relating to the current national economic situation. After the conferences, which will last approximately one week, the committee members will then visit the various provinces and explain the work of the committee. The idea behind this is to heighten our deputies' level of knowledge on matters of national economics and how to handle them, as well as to examine possibilities of establishing a debate on the current economic situation and the possible measures to be adopted to confront this situation.

[Betancourt] Will this be for the next ordinary period of sessions? I also would like to ask you to clarify something about the global economy or macroeconomics. Will this committee handle finances, credits? Can you be more specific about this?

[Martinez] The committee will handle macroeconomics in the basic sense of the economic policy viewed as a whole. There are also various components within the economic policy that the committee will also have to view. What I want to say is that the committee, at least in the first phase, will not deal with specific issues such as the operation of enterprises or specific economic issues of this type but will focus on general economic policy measures that could be used to confront this situation.

You asked about finances and credits. I would say that all that is included in this. The policy regarding finances, currency, credits, interest rates, foreign capital, foreign trade, in other words, the whole scope of economic factors that play a role within an economic policy, at the macroeconomic level, are included in this.

[Betancourt] The Cuban state has already begun to take certain steps. During the next session of the National

Assembly of the People's Government [ANPP], is it planned that this committee will present some type of a report or generate a debate on the economic situation in the country?

[Martinez] I cannot affirm precisely if it will happen in the next session, but I believe it is possible that in the next few months, either during the regular session or some special occasion, the ANPP will have to debate these issues, and, of course, the Economic Affairs Committee has certain responsibilities in this regard. This is what we have been trying to do from the onset: to prepare the deputies, to increase the level of information and handling of these issues in preparation for the debates that will logically take place in the ANPP.

[Betancourt] Thank you very much.

[Martinez] Thank you for giving me the opportunity to address Radio Havana listeners.

[Betancourt] Thank you again.

PRENSA LATINA, ITAR-TASS Sign Agreement

FL1409014393 Havana Radio Reloj Network in Spanish 1939 GMT 13 Sep 93

[Text] Pedro Margolles and Vitaliy Ignatenko, directors general of Cuba's PRENSA LATINA and Russia's ITAR-TASS, respectively, signed a bilateral cooperation agreement in Moscow on 13 September.

The document consists of 19 articles and two annexes that detail ties between the two media for cooperation in the exchange and dissemination of information.

Shortly after signing the document, the directors general of PRENSA LATINA and ITAR-TASS expressed satisfaction with the content of the document, which will regulate relations between the two agencies until 31 December 1995, when it could be extended automatically if the two parties so decide.

The directors of the two media expressed confidence in the successful continuation of the bilateral relations that were forged over many years of cooperation in many different areas.

Matanzas Electric Plant Scheduled for Maintenance

FL1309143393 Havana Radio Progreso Network in Spanish 1100 GMT 13 Sep 93

[Report by Matanzas correspondent Jose Miguel Solis]

[Text] Preparations are coming along well at the Antonio Guiteras Thermoelectric Plant in the city of Matanzas to begin maintenance work next month, which is to last 30 days. (Jesus Valdes Torra), director of this Matanzas facility, commented to Radio Progreso that, on this occasion, they are going to hire specialists from the French supplier firm, (Alston), to do the work of regulating the valves of the plant's turbines. He also said that the coordination necessary to have the repairs take as little time as possible, and to have Cuban forces do, in two work shifts, the maintenance on the boiler, is under way.

According to specialists consulted regarding this matter, the repair of the turbine at the Antonio Guiteras Thermoelectric Plant in Matanzas, the most efficient in the country, will cost approximately $240,000.

Let me remind you, friends, that, to date, this 330-megawatt unit in Matanzas has provided the national electric system with 1.47 million megawatt-hours, approximately 30 percent of all the electricity generated in Cuba.

Commentary on Government Allowed Self-Employment

PA1409044793 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Sep 93

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[Text] Cuba, which has lost 75 percent of its purchasing power since 1989, is adapting to the world's new ground rules, which are characterized by market laws. It is applying more liberal forms, which are consistent with the socialist system. Lifting the ban on the possession of foreign currency was seen as an uncomfortable yet realistic and inevitable measure. Now, the Cuban Government has decided to allow greater freedom to private initiative. By authorizing and extending self-employment, to the extent of approving 117 permits for such purposes, the government intends to focus the limited funds it has at its disposal on solving urgent problems such as nutrition, medical attention, and high priority sector development.

This does not imply that the government is planning to pull out of any of these activities due to self-employment activities; instead, this line of business should be considered as complementary to the government agencies' work. The Cuban Government has gone as far as to regulate this type of work, so as to prevent the appearance of intermediaries, who would reap the profits of other people's work. It will act in the event of excessively high prices.

Although local authorities will be tasked with organizing, supervising, and controlling this type of activity, private maneuverability will be enhanced for the benefit of the people, who will now be able to solve some of their day-to-day problems. The current material shortages, which originate in external factors, have drastically reduced the government's agencies ability to respond to the need for staple items and primary services.

According to Economist Osvaldo Martinez, president of the Economic Affairs Commission of the National Assembly of the People's Government [ANPP], "here are certain goods and services the government cannot provide effectively under the present circumstances. Lifting the ban on foreign currency and the broadened margins for self-employment are part of a reform process, which takes the nation's reality very much into consideration while pursuing the objective of guaranteeing the survival of the social plan on which we are embarked.

Haiti

Malval Requests Armed Groups To Disband, Disarm

FL1309152793 Port-au-Prince Radio Metropole in French 1045 GMT 13 Sep 93

[Text] The government has reacted to the murders on 11 September in Port-au-Prince. Following a meeting with the Army commander in chief and the Port-au-Prince police chief, Prime Minister Robert Malval has formally asked for the disbanding of armed gangs, who have perpetrated these acts. The government formally asked the military authorities in Port-au-Prince to disarm armed groups, who are disturbing the public order.

Furthermore, the government, which condemned these arbitrary acts and murders, announced that several steps were taken to prosecute the perpetrators of these crimes until justice is done. [sentence as heard] It should also be noted that the government reiterated its determination to conduct to its conclusion the process started on 3 July for the physical return of President Jean-Bertrand Aristide, unquote. [no reference to begin quote as heard] Prime Minister Robert Malval congratulated the population for their courage and composure.

According to a reliable source, two letters have been sent to the Army commander in chief. One is from mediator Dante Caputo to remind General Cedras of his commitment to conciliation and another letter is from the minister of interior requesting the disbanding and disarming of armed groups.

Caputo Extends Stay

FL1309160693 Port-au-Prince Radio Metropole in French 1045 GMT 13 Sep 93

[Text] The murders on 11 September have detained mediator Dante Caputo in Port-au-Prince. The UN/OAS representative had to extend his stay in the Haitian capital in order to meet with the authorities. On 11 September, Dante Caputo spoke with Prime Minister Robert Malval, members of his government, and members of the diplomatic corps.

Dante Caputo allegedly spoke with the Haitian authorities about this upsurge in violence and therefore the difficulties in applying one of the major key points of the Governor Island Accord, the appeasement that should lead to national reconciliation. According to a reliable source, the international mediator talked to the Haitian Army commander in chief, asking him to guarantee the security of all Haitians. Dante Caputo wrote to General Cedras to remind him of one of the points signed in the 3 July accord. Mediator Dante Caputo also questioned the responsibility of the military chiefs in facing this upsurge of violence in Haiti.

Army Issues Communique

FL1309155693 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Sep 93

[Communique issued by the Haitian Armed Forces in Port-au- Prince; date not given]

[Text] The Military Department of the Metropolitan Area of Port-au-Prince advises that on the morning of 11 September, following a religious service at the Sacred Heart Church in Turgeau, two citizens including businessman Antoine Izmery were killed by unidentified individuals. Sometime later, at approximately 1300, Colonel Fritz Jocelyn, of the Haitian Armed Forces, was killed by gunfire while getting fuel at a gas station on Panamerican Street in Petionville.

While extending its sympathy to the families of the victims, the Military Department of the Metropolitan Area deplores once again these terrorist acts that plunge the society into mourning, thus disturbing the public peace and the climate of calm toward which the national institutions are working.

According to a note, the Military Department of the Metropolitan Area, which is always concerned about its mission, calls on all those who have information that can shed light on these assassinations to please relay it to the nearest police station in order to facilitate the investigation already opened by the public prosecutor to the Port-au-Prince civil court.

Gunmen Besiege Radio, Television Buildings

FL1309202993 Port-au-Prince Radio Metropole in French 1730 GMT 13 Sep 93

[Text] The national radio and television buildings have been besieged by heavily armed men, who assert they have come to bring support to the employees who were granted leaves of absence by the information minister.

Furthermore, Radio Caraibe is in a difficult situation. This radio station was forced to stop newscasts after armed civilians, on 10 September, entered the radio station's building, accusing the station's journalists of having broadcast false information about last week's incidents in the Port-au-Prince city hall. They threatened to kill the director of the station, Patrick (Noussignac), if Radio Caraibe did not discontinue its newscasts. Patrick Nousignac was forced to flee the country.

Court of Cassation President To Remain in Post

FL1309211793 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Sep 93

[Text] Attorney Emile Jonassaint, president of the Court of Cassation, intends to remain in his post. This is a statement he made on Signal FM on 11 September. Attorney Jonassaint, who was appointed judge to the highest juridical authority of the country by President Joseph Nerette, asserts that the government's order is arbitrary and that he

is considering lodging an appeal to whom it may concern. Let us listen to Attorney Jonassaint at the microphone of Signal FM.

[Begin recording] [Jonassaint] The executive does not have the right to pension me off. I would advise you to glance at Article 177 of the Constitution. I have been appointed.... [pauses] I was appointed for 10 years. I am irremovable. The executive does not have this right.

[Unidentified correspondent] A member of the Ministry of Justice said somewhere that you were retired even before you were....

[Jonassaint, interrupting] No, no, the fact is that I was already a retired person before I was appointed judge at the Court of Cassation. If I was appointed, it is because it is in compliance with the law governing the matter. I can be appointed... Although I was retired, I could be appointed judge at the Court of Cassation. There are some posts that I cannot occupy, but I can occupy the post of judge at the Court of Cassation. This is a joke. It is not serious.

[Correspondent] But do you intend to remain in your post, Attorney Emile Jonassaint?

[Jonassaint] Certainly. This order is illegal, unconstitutional, and thus arbitrary.

[Correspondent] According to the law, what can be done when that happens, when you have been the victim, as you just said, of an arbitrary action?

[Jonassaint] Well, one can still take one's case to whom it may concern. [end recording]

Deputies Close Session, Available To Vote

FL1309213893 Port-au-Prince Radio Metropole in French 1900 GMT 13 Sep 93

[Text] The deputies are going on vacation on 13 September. The 6th session of the 45th Legislature will close today, the second Monday of September, in conformity with the provisions of the Constitution.

The president of the Chamber of Deputies, Antoine Joseph, asserted, however, that the deputies would remain at the disposal of the executive power to vote on laws relating to the separation of the Army and police, as well as the with regards to the amnesty law.

Malval Delegation To Meet Dominican President

FL1309222693 Port-au-Prince Radio Metropole in French 1600 GMT 13 Sep 93

[Text] Prime Minister Robert Malval will travel to the Dominican Republic on 21 September. This news, already confirmed in Port-au-Prince, was also confirmed by Dominican Vice Chancellor Fabio Herrera Cabral.

For his meeting with Dominican President Joaquin Balaguer, Robert Malval will be accompanied by members of his government, including among others, Ministers Claudette Werleigh of the Foreign Affairs Ministry, Herve Denis of the Information Ministry, Victor Benoit from the National Education Ministry, Jean Moliere of the Public Health Ministry. Legislators, businessmen, and labor-union members will also be part of the Haitian delegation.

The meeting between Malval and Balaguer will essentially be based on future relations between the two countries. The Haitian prime minister will also meet with members of the Dominican political class and businessmen.

The Dominican vice chancellor took the opportunity to deny information that pressures are being applied by the United States, France, and Canada for the two countries to merge.

Jamaica

Prime Minister Patterson Collapses at PNP Meeting

FL1309161393 Bridgetown CANA in English 1410 GMT 13 Sep 93

[Text] Kingston, Jamaica, Sept 13, CANA—Jamaica's Prime Minister P.J. Patterson, was reported early Monday to be resting comfortably at home after collapsing late Sunday while addressing a ruling People's National Party (PNP) constituency branch meeting. Doctors said Patterson, 58, appeared to have been suffering from exhaustion. Additional medical tests were to be carried out Monday on the Jamaican leader.

Patterson told journalists late Sunday he had experienced "initial discomfort" after collapsing, but was feeling "fine" afterwards. He added he was looking forward to resuming normal duties "certainly before Thursday" when the PNP's annual conference is scheduled to start.

The Jamaica Broadcasting Corporation (JBC) interrupted normal programming late Sunday to show graphic pictures of the prime minister appearing to lose consciousness and fall forward during the constituency meeting in South East St. Catherine. Supporting hands from party colleagues on the platform held on to the prime minister before he fell.

In an early reaction, the opposition Jamaica Labour Party (JLP) expressed concern at the incident and wished the prime minister an early recovery.

Editorial Calls NAFTA Debate 'Fratricidal Struggle'

BR1309151493 Brussels LE SOIR in French 13 Sep 93 p 4

[Article by Nathalie Mattheiem: "Isolation of President in Defense of NAFTA"]

[Text] Elitists against populists: The debate on the NAFTA [North American Free Trade Agreement] treaty is expected to take the form of a fratricidal struggle. Few figures, plenty of emotion, and a deadline fixed at 1 January.

In what is being toted as one of a series of battles marking the end of the summer vacation, President Clinton has ex-Republican Congressman Bill Frenzel as his advisor, and the minority in Congress as his best ally. There is nothing to indicate that this support will suffice to counter the fierce opposition to the plan, even within the Democratic Party and its "natural allies" (the trade unions and consumer associations). Not to mention the forceful reemergence of Ross Perot with a pamphlet entitled "Save Your Job, Save Your Country: That Is Why NAFTA Must Be Stopped—Immediately!"

During an election campaign characterized by a profusion of slogans proclaiming "America First," Bill Clinton had been conspicuous for his prudence. George Bush had hastened to sign "his" agreement with Mexico and Canada; Bill Clinton had indicated reservations concerning the text of that agreement, promising to conclude protocols relating to social legislation and the environment before putting any final signature to the free trade agreement.

Such "conditional" support explains the relative temerity of the White House so far, more so at least than the unforeseen difficulties regarding the adoption of the budget. Nonetheless, the President's entourage guarantees that Bill Clinton will throw himself into an intense campaign to promote the NAFTA treaty and its annexes negotiated by the Democrats since coming to power, especially as a defeat in Congress would be disastrous for the international reputation of the United States.

The truth is that once more it is elements of domestic policy that will prove decisive at the end of the debate. Even though the latest government studies indicate a slight upturn, Americans still fear for their jobs. Ross Perot's prediction of a "great sucking sound," the noise created by the massive exodus of industrial jobs swallowed up by Mexico, might appear all too plausible to them. On the other hand, few people are convinced by the promise that "everybody will gain" from an increase in trade. That, at least, is the "official line" that the latest version of the "war room," the nerve centers for public relations inherited from the electoral campaign, has been told to "sell" to the public.

Those opposing the project have less problems spreading the idea according to which the treaty would in fact be desirable uniquely for business interests, and not the most competent ones either, for James Robinson (American Express) and Kay Withmore (Kodak), who were heading the "pro-NAFTA" lobby, have since been ousted by their respective companies.

Ralph Nader, a champion of consumers and social justice, went one better on this negative image of big business, like all the trade unions and Democrats associated with social movements, who have the impression that U.S. employers are above all seeking to cut their costs by opening up their "recruitment reserve," which is already flooded by domestic unemployment, to unemployed Mexicans.

On the other hand, it is more paradoxical to see billionaire Ross Perot, several of whose Texan businesses would benefit from a NAFTA-type system, denouncing the "lack of public-spiritedness" shown by multinationals. In doing so, the independent ex-presidential candidate joined the ranks of some of the best speakers in the Democratic Party (Jesse Jackson, Dick Gephardt, Jerry Brown, etc.). Inclusion of the latter makes it a club of "populist ex-candidates" for the presidency in the making. Meanwhile, Pat Buchanan, an ultraconservative protectionist, who has provisionally returned to his job as a columnist, is determined not to be outdone by them.

Faced with this opposition, Bill Clinton can only field a rather depleted club of "ex-presidents," for Reagan, Nixon, and even George Bush, who instigated the treaty, have supposedly declined an invitation, for the moment, to participate in a joint action aimed at launching the agreement. With Ford and Carter at his side, Bill Clinton risks appearing to be flanked by the two "past masters of economic crisis" of recent U.S. history.

Chamber of Deputies Approves Election Reforms

PA1309183293 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 13 Sep 93

[From the "Good Morning From Mexico" newscast]

[Text] The Chamber of Deputies has approved reforms to the Federal Code of Institutions and Electoral Procedures [COFIPE] following a 16-hour session that started on 11 September at 1600 and concluded at 0800 on 12 September. The reforms to the COFIPE were approved with a vote of 283 in favor and only 53 against. More than 120 speakers went to the podium, thereby concluding the special sessions, which will be closed on 14 September.

This was a difficult session, which commenced with an approximately six-hour delay because of intense lobbying efforts by Institutional Revolutionary Party [PRI] legislators in an attempt to convince other legislators to vote in favor of the reforms. In the end, the PRI and the Cardenist Front Party voted in favor of the reforms. The Authentic Party of the Mexican Revolution divided its votes, part in favor and part against. The Party of the Democratic Revolution and the Popular Socialist Party, which had anticipated voting against the reforms when debate was initiated on 10 September, withdrew from the session and did not vote. The National Action Party [PAN] acted in a contradictory manner by voting in favor of the general reforms but against each specific reform. At the end of the vote, Chamber President Maria de los Angeles Moreno commented on PAN's actions as follows:

[Begin Moreno recording] It is regrettable. I would prefer not to comment on PAN's conduct. I would prefer to comment on our actions. At all times, we were willing to engage in a dialogue, to respect the opinions of others, and to hear all sides on what is and what has been our proposal. [end recording]

A total of 147 COFIPE articles, a little less than half of the total, were amended. The reforms establish new electoral guidelines for the 1994 elections, including 40 proposals presented by the opposition parties. In response to the presidential appeal in November, a ceiling was placed on political campaign budgets. The Electoral Institute was charged with setting the ceiling by taking into account inflation and the number of votes obtained. Also, the financing of political parties through foreign and religious organizations' contributions was prohibited. It was also agreed upon to give the political parties greater access to the media. This is subject to agreements reached with members of the media with the support of the Communications and Transportation Secretariat and the Federal Electoral Institute.

Cuban Refugees To Request Visas To Go to Miami

PA1309235293 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 13 Sep 93

[From the "Good Morning" newscast]

[Excerpt] The 11 Cubans who arrived in Mexico 11 September after entering the Mexican Embassy in Havana are trying to find a way to go to the United States. Here is a report from Tlaxcala by Hector Guerrero:

[Guerrero] After two days in Mexico, the 11 Cuban exiles will go to the U.S. Embassy today to request visas to go to Miami. On 9 September, 11 Cubans were able to enter the Mexican Embassy in Havana. The political refugees, four women, six men, and a boy, are staying at the Social Security's Trinidad Recreation Center in Tlaxcala.

During an interview in a game room of this recreational facility, Leonardo Castanedas, a former member of the Cuban national revolutionary police force, said that the Cuban refugees would rather die than return to Cuba. Castanedas added that a day before coming to Mexico 40 policemen surrounded the embassy.

Obdulio Lebrijo Alvarez, a thin, tall black man who is a photographer and a teacher, declined to comment on the Cuban political system.

[Begin Lebrijo recording] I will tell you something. I left my three children, wife, sister, and brother in Cuba, and I do not dare talk about the situation. It is a critical situation, as everyone knows. [end recording]

[Guerrero] Lebrijo was glad that his family did not come along on this trip, because had it failed he would have gone to jail.

[Begin recording] [Unidentified reporter] Are you planning to go back for your family or send for them?

[Lebrijo] They did not want to come. The risk was too great, and I.... [pauses] They were right.

[Reporter] Why was the risk so great? What would have happened if the authorities had not allowed you to come to Mexico?

[Lebrijo] I would have been sent to jail. [end recording]

The 11 Cubans are hoping to make the necessary contacts with fellow Cubans living in Miami to obtain their residence in that city. [passage omitted]

Senate Could Ask for Increased Security

PA1409025093 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 13 Sep 93

[From the "Good Morning" newscast]

[Text] The Senate could request that the Foreign Relations Secretariat ask the Cuban Government for more protection for Mexico's diplomatic mission in Havana since many Cubans have seemingly found the formula for leaving their country without any problems. Senator Carlos Jimenez Macias said it is necessary to end the immigration tendency toward Mexico because the majority of Cubans who leave the island only use Mexico as a springboard for going to the United States, their ultimate destination.

Jimenez Macias stressed that if no steps are taken the situation could deteriorate relations with the Cuban and U.S. Governments. Mexico must take into account that when exiles go to the United States they strengthen the opposition. Mexico must know where to draw the line within the framework of an exile policy that is in keeping with Mexican foreign policy. The country must not make hasty decisions, like those we have seen recently.

Costa Rica

Defense Against U.S. Trade Union Charges Being Prepared

PA1409042793 San Jose LA NACION in Spanish 7 Sep 93 p 5A

[Report by Jorge Solorzano]

[Text] Costa Rica will hire a law firm to defend the country against the U.S. Government charges of trade union persecution. In this way the country will have the adequate legal counsel of a group that will follow the developments closely.

If the charges are determined to be valid, Costa Rica could be excluded from the General System of Preferences, which makes it possible for the country to sell domestic products abroad without paying tariffs.

Although Second Vice President Arnoldo Lopez Echandi and Union of Chambers President Marco Vinicio Ruiz say the charges are groundless, they agreed that the country must make extensive preparations for its defense before the charges are finally dropped.

On 10 September, the U.S. Commerce Department must decide whether to continue with the proceedings, based on the accusation and defense papers received so far. Ruiz and Echandi think the Commerce Department will probably proceed due to the great pressure applied by AFL-CIO, the largest U.S. union federation, which filed the suit.

Ruiz estimates that the country's defense could cost nearly 70 million colones ($500,000) in the first year alone. To meet those expenses, the chambers will create a fund to which employers can make voluntary contributions.

In the defense document presented, the executive rejects the charges that there is no freedom or protection for unions in Costa Rica. The document, however, admits that current legislation contains certain disparities that have resulted from the evolution of society. The paper pointed out that several proposals and international agreements are pending approval in the country "according to democratic mechanisms" to correct such gaps.

Furthermore, the paper clarified the situation of the 12 cases presented by AFL-CIO and pointed out that there was no persecution against the unions in any of them. At least three of the incidents in question were never reported to the Labor Ministry.

The government and the employers think the report represents the AFL-CIO's attempt to prevent other countries' products from competing on the U.S. market. That is also why this organization opposes the North American Free Trade Agreement among the United States, Mexico, and Canada.

Guatemala

President de Leon Sees 'No Obstacles' to U.S. Aid

PA1309222893 Guatemala City Teleonce Television in Spanish 0330 GMT 13 Sep 93

[Text] Efforts to resume U.S. military aid to Guatemala have apparently been unsuccessful, according to reports circulating over the weekend. President Ramiro de Leon Carpio was asked his opinion on 12 September:

[Begin de Leon recording] I am not aware of it. On the contrary, I believe the international community is opening itself up to Guatemala more and more. The same holds true for the United States. All the aid that had been withheld is now being sent, except that which must still be approved by the U.S. Congress. I reiterate, however, that the international community and the United States are opening up to Guatemala. There are no obstacles; at least none that I am aware of. On the contrary, Guatemala is increasingly receiving more support. The recent presence of two top U.S. military officers in Guatemala confirms that. The head of the U.S. Southern Command, the U.S. Army chief of staff, and other authorities such as the assistant U.S. secretary of state have been here and they have all reiterated their support. They have told us they are pleased to see that we have a democratic, constitutional government, which should bring more aid, not obstacles. [end recording]

President Appoints New Attorney General

PA1309231493 Guatemala City Teleonce Television in Spanish 1900 GMT 13 Sep 93

[Text] President Ramiro de Leon Carpio has appointed Lawyer Telesforo Guerra as Guatemala's new attorney general. However, there were a number of incidents at the Attorney General's Office while the new appointment was being announced. Policemen had blocked off the Attorney General's Office installations. Suspended Attorney General Acisclo Valladares Molina arrived at 0600 on 13 September to return to his post. Attorney General's Office personnel described the return of Valladares Molina and his lawyer, Sergio (Benteton), as a raid. Reporters tried to investigate the incident but were prevented from doing so by Attorney General's Office personnel. Some employees said Valladares Molina was able to meet with Acting Attorney General Edgar Tuna Valladares. Policemen told Benteton he could be arrested on trespassing charges, but Benteton said he was at the Attorney General's Office to meet with a notary.

One Person Killed in Bomb Explosion

PA1409000293 Paris AFP in Spanish 2316 GMT 13 Sep 93

[Text] Guatemala City, 13 Sep (AFP)—A powerful bomb exploded on the afternoon of 13 September in a crowded Guatemala City neighborhood, killing at least one person, first aid personnel said. It is not yet known if the explosion caused property damage or any other injuries.

Over the past two weeks some five low-powered bombs have exploded in Guatemala City shopping centers. Those explosions resulted in property damage but no casualties.

Local analysts are linking the attacks to the political crisis that has resulted from the call President Ramiro de Leon Carpio made 15 days ago for a purge in the Legislative and Judicial Branches.

Honduras

* Sep 93 Entry in GATT Announced

93CA0183A Tegucigalpa EL HERALDO in Spanish 19 Jul 93 p 52

[Text] Economics Vice Minister for Foreign Trade Oscar Nunez yesterday reported that Honduras will formally join the General Agreement on Tariffs and Trade (GATT) in September or October at the latest.

The official said that the Honduran Government's mission to Geneva earlier this month succeeded in clarifying all questions about Honduras' foreign trade policy with respect to GATT.

It is thus expected that Honduras' formal entry will be announced in September or October, since August is a vacation month for Europeans, but the joining is a fact, he stated.

In Nunez' view, Honduras' joining of GATT is extremely positive, because it coincides with the current national development strategy of strengthening multilateral trade.

GATT is the most broad-based foreign trade organization, comprised of 112 countries who are contracting parties, trading more than 90 percent of the goods produced in the world.

Honduras would have unrestricted access, although it would have to pay a low fee for joining, but this is minimal since the contracting parties have recognized its unilateral efforts to open up its markets, he said.

"The positive impact is difficult to quantify, but I do not think the national development strategy could be achieved if Honduras did not join GATT, since this will stabilize Honduran economic policy, independent of changes of government, through the acquired commitments," he said.

Nicaragua

Rearmed Group Releases Kidnapped EC Experts

PA1309142793 Managua Radio Nicaragua Network in Spanish 1106 GMT 13 Sep 93

[Report from the "This Morning" newscast]

[Text] Maria Cristina Arguello, public relations director of the Government Ministry, has announced that the kidnapped experts assigned to the EEC Proverbo program were released on Sunday [12 September]. The Proverbo experts had been kidnapped on Friday.

[Begin Arguello recording] The Government Ministry hereby announces that today, Sunday, 12 September, the National Police were able to obtain the safe release of four [as heard] members of the EEC Proverbo program who were kidnapped in Rio Blanco by a group of rearmed men on Friday, 11 September [as heard].

Upon learning of the kidnapping, the Government Ministry immediately sent a Special Police Forces unit to the Rio Blanco community and proceeded to organize steps necessary in negotiating the release of the hostages. To carry out the negotiations, a group of well-known citizens from Rio Blanco and Matagalpa was organized, including the Rio Blanco parish priest, along with officials from the Government Ministry.

Because the negotiations were unsuccessful, it was determined that a police operation would be needed. The police operation contributed in ensuring the release of the four hostages.

We will be providing more information and details during the next few hours. [end recording]

[Later in the "This Morning" newscast, Managua Radio Nicaragua Network in Spanish at 1121 GMT reports that, according to a spokesman from the Matagalpa Department government, five hostages were released on 12 September. In a two-minute live relay from Matagalpa, correspondent Aurora Leyton Morales says: "The people who were kidnapped include: Javier Cantares, Mauricio Averuz, Leonel Miranda, Sergio Velazquez, and Fabio Rocha. It is worthwhile to note that these five people were kidnapped by a rearmed group headed by a man known as Howard, whose real name is Salvador Espinosa. Espinosa was accompanied by seven armed men. It is also worthwhile mentioning that the five individuals kidnapped Friday are experts assigned to the Proverbo program, which is being financed by the EEC." Morales concludes by saying the hostages were released in an area located between the municipalities of Rio Blanco and Matiguas.]

Ortega Decries U.S. Pressure for EPS Head Removal

PA1309193693 Managua BARRICADA in Spanish 13 Sep 93 pp 1, 12

[Report by Luis Valverde]

[Text] Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], has reiterated that a change of Army chief must not result from pressures from the U.S. Government. He also disclosed that his party has consented to the inclusion of the Military Organization Law in the tripartite dialogue agenda to enable this forum to decide what is in Nicaragua's best interest.

During a meeting on 11 September in the San Judas neighborhood with more than 100 Sandinist leaders from 10 neighborhoods in District 3, Ortega rejected the removal of the Sandinist People's Army (EPS) chief because of Yankee pressures because, he said, if Nicaragua agrees to do this, it will be yielding to pressure and encourage a wave of kidnappings.

"The problem is not the subordination of military power to civilian power, but subordination to Yankee power," Ortega said, adding that the FSLN would be equally opposed if the U.S. Government had asked for the heads of Dona Violeta, Antonio Lacayo, or even Education Minister Humberto Belli."

Ortega disclosed that during his talks with the government he warned Presidency Minister Antonio Lacayo that the mistake in yielding to the Yankees' requests "is that first they requested the head of Rene Vivas (former chief of the National Police), now they want Humberto's, and later it will be Lacayo's."

During the meeting with the rank-and-file leaders, Ortega urged activists, members, and supporters to rescue the people's solidarity at this time of economic crisis.

In response to allegations of the rank-and-file disregarding certain wealthy FSLN members, Commander Ortega urged true Sandinists to practice the same values of solidarity and mutual support that strengthened the FSLN's morals during the struggle against Somoza.

Within this context, the former Nicaraguan president urged the popular sectors to struggle to reverse the government's economic policies, which he said are generating "poverty, mendacity, and crime."

Ortega also said that the FSLN supports the civic march that will be staged on 13 September by bus divers throughout Nicaragua to force the government to eliminate vehicular taxes. Commander Daniel Ortega was accompanied at the meeting by Sandinist Assembly members Carlos Fernando Chamorro and Victor Hugo Tinoco, as well as by FSLN Deputy Carlos Gallo and leader Clorinda Zelaya.

Leal Denies Hints of U.S. Intervention

PA1409024193 Managua Radio Nicaragua Network in Spanish 2330 GMT 13 Sep 93

[Report on news bulletin issued by the Foreign Ministry in Managua]

[Text] Regarding a news dispatch released by NOTIMEX and published in San Jose LA REPUBLICA on 12 September 1993 under the heading: The United States Could Remove the Sandinist Leadership, Nicaraguan Foreign Minister Ernesto Leal Sanchez believes that it is necessary to clarify to the people that:

The government of President Chamorro and those who work for this government are Nicaraguans who are proud of their national independence and sovereignty and are convinced that Nicaragua's problems can only be solved by Nicaraguan people through dialogue and understanding and never through confrontation, much less foreign intervention.

Foreign Minister Leal added that: As a man of peace and a convinced democrat, I categorically deny the statements made by General Humberto Ortega and other anonymous military sources who claim I hinted at the possibility of an intervention by U.S. forces in Nicaragua. This kind of false statement is only aimed at supporting militaristic thinking, and its sole goal is to promote obsolete and prevailing ideas that no longer have a reason for being.

On the morning of 3 September Gen. Humberto Ortega called me on the telephone to tell me of an alleged movement of troops in Palmerola, Honduras. He was trying to intimidate me by saying that if the troops in Palmerola were near, he was even nearer to us, those of us who serve the government. I told him that I did not take threats from him and that our courage is based on the belief that President Chamorro's democratic government is supported by the power of reason, truth, the Constitution, and the people's vote.

The announcements made by President Chamorro on 2 September 1993, which are firmly supported by her democratic government, are based on the principle and belief that for democracy to progress, it is necessary to make decisions that will lead to the full institutionalization and professionalization of the Armed Forces.

Foreign Minister Leal also said: We will continue to make the military subordinate to civilian power and respect for human rights a reality in Nicaragua, thus joining the democratic progress being made throughout the hemisphere to shape a new America.

[Issued] Managua, 13 September 1993

Nicaraguan Foreign Ministry Information and Press Directorate

D. Ortega Interview on Dialogue With Government

PA1409025993 Managua Radio Nicaragua Network in Spanish 2335 GMT 13 Sep 93

[Interview with Daniel Ortega, secretary general of the Sandinist National Liberation Front, FSLN, by unidentified reporter following talks with President Violeta Chamorro at the Presidency in Managua on 13 September—live or recorded]

[Text] [Announcer] We have Commander Daniel Ortega with us now. He has just finished participating in the dialogue at the Presidency.

[Begin recording] [Ortega in progress]...in the economic, social, and political field. We reiterate the Sandinists' willingness to find a solution to this crisis or to help solve the crisis. We have reiterated our position that the tripartite or national dialogue is necessary and can no longer be postponed. We think that these meetings between the government and the National Opposition Union [UNO], the government and the Sandinist National Liberation Front [FSLN], and even the talks that could be held later between the FSLN and the UNO should contribute to the tripartite dialogue, the national dialogue. We should first focus our attention on economic problems, because those are the biggest problems the Nicaraguan people are facing right now. We also spoke about our willingness to discuss political issues regarding the constitutional reforms. We are also willing to discuss the Army's basic laws, especially in matters involving the subordination of military power to civilian power. We think it could be included in the

national dialogue, and by including it we would be strengthening our Constitution and the institutionalization process.

We told the government of our concerns about the transportation sector. We wanted the government to keep our position in mind, and we asked them to note our decision to reject the measures that are adversely affecting the transportation sector. We think that when it is all said and done, the tax will have to be paid by the people, the consumer, or the bus passenger. It is a tax on the people, who are already seriously taxed.

We also talked about the need to abide by the court ruling because the ruling favors customs office employees, but has not been observed up until now. We also talked about the problems faced by the sugar cane workers and the Nicaraguan people's right to demonstrate, as thousands of teachers and students have said they want to do on 14 September. If they cannot demonstrate at the stadium, they want to demonstrate at Revolution Plaza. We believe it is their right to demonstrate on Independence Day, 14 September.

We hope to continue the dialogue with the government. We understand that we are not holding a dialogue to reach agreements on issues that must be addressed in the national dialogue or in the tripartite dialogue. We are simply trying to create the necessary conditions for holding a tripartite dialogue as soon as possible.

[Reporter] You spoke about reorganizing the dialogue agenda or something along those lines.

[Ortega] We must take advantage of these meetings to exchange views on the points that should be included on the dialogue agenda. The UNO has its points; we have our points; the government has its points. In these meetings we can talk not only about the points on the agenda but also about the mechanisms for safely holding the dialogue.

[Reporter] Aren't these bilateral talks driving us away from a tripartite dialogue? The government has UNO on one side and the FSLN on the other. Aren't we moving away from a tripartite dialogue?

[Ortega] The objective is clear: To hold talks so we can move on to the tripartite dialogue. It is like the road leading us to the tripartite dialogue.

[Reporter] When could the dialogue take place?

[Ortega] We are ready to take off. We understand that the government is also ready, so it all depends on UNO.

[Reporter] UNO continues to demand the removal of the Central Group.

[Ortega] We do not know what UNO's position could be at this time. We do not know what position they are taking at their meeting with the government.

[Reporter] What will the FSLN's position be?

[Ortega] Our position is very clear. We have a political position in the legislature. We will not only try to strengthen our alliance with legislative factions such as the Center Group, but we are going to see how to expand that alliance to other factions. We are going to seek alliances with other political forces that are willing to reach agreements with the Sandinists. This is part of the normal activities that takes place in all legislatures.

[Reporter] What about a dialogue between UNO and the FSLN?

[Ortega] We have only exchanged viewpoints.

UNO Baltodano on Government Commission Meeting

PA1409032393 Managua Radio Nicaragua Network in Spanish 2348 GMT 13 Sep 93

[Report by Ernesto Garcia Canales from the Foreign Ministry]

[Text] The National Opposition Union [UNO] delegation has just departed. UNO Coordinator Duilio Baltodano said the delegation is satisfied with this first meeting with the government commission, headed by Foreign Minister Ernesto Leal. At the end of the working meeting, Baltodano said each delegation studied the agenda proposed by the other. He also said that the two delegations will meet again at the Foreign Ministry during the afternoon of 16 September and expect to reach an agreement. This is Baltodano:

[Begin recording] [Baltodano] We are treading on firm ground. A spirit of cordiality has been present in the two delegations. Good expectations have been created for the two sectors, the government and UNO. I believe that during the next meeting, scheduled to be held at the Foreign Ministry, we will be able to announce to the local and international journalists positive and satisfactory agreements for a great national dialogue in Nicaragua.

[Unidentified reporter] What was the nature of this afternoon's meeting?

[Baltodano] This afternoon's meeting was devoted mainly to studying the government and UNO agendas to be discussed during the next meeting. More specific points will be addressed then.

[Reporter] Would you say that the UNO and the government started from scratch again?

[Baltodano] I would say we are walking toward our goal.

[Reporter] Was Cesar present at the meeting?

[Baltodano] There were no international observers. We talked in private, openly, sincerely, and friendly. This is what I can say.

[Reporter] Was Cesar at the meeting?

[Baltodano] No. He is out of the country. He excused himself before departing.

[Reporter] All was positive in this friendly talk, yet there were stumbling blocks, apparently.

[Baltodano] We must be honest. There has been a great spirit of Nicaraguan friendliness. We are not lying. We have a great historic responsibility and are fully aware of

our duty toward the Nicaraguan people. In the name of the UNO and its political council, I can tell the Nicaraguan people that we will not fail them.

[Reporter] If this happened, what was discussed in the meeting? The dialogue depends on the UNO, because the government and the Sandinists are prepared for the dialogue.

[Baltodano] No. I understand that the dialogue depends on the good will of all the parties. The idea is not talk for talks' sake. It is necessary to lay the groundwork to find a solution to the country's problems. In this sense, I disagree with Commander Ortega. The important thing at this point is to find a true mechanism and procedure to fix the country's problems, not just sit down so others can say we are talking. This would not be sincere.

[Reporter] What will the UNO yield?

[Baltodano] We will be unyielding on principles and fundamental issues, but we are willing to be flexible in other areas. [end recording]

Government, UNO To Resume Bilateral Talks 13 Sep

PA1309155693 Managua Radio Nicaragua Network in Spanish 1100 GMT 13 Sep 93

[From the "Good Morning" newscast]

[Text] Separate meetings between the Sandinist National Liberation Front, FSLN, and the National Opposition Union, UNO; between the government and the FSLN; and finally between the government and UNO have made possible the resumption of bilateral talks between the government and UNO today. This was announced in a communique issued by the Presidency's Information and Press Directorate.

At the bilateral talks between the government and UNO, the government commission will comprise Foreign Minister Ernesto Leal, Construction and Transportation Minister Pablo Vigil, Economy and Development Minister Emilio Pereira, Labor Minister Francisco Rosales, and Deputy Presidency Minister Jose Adan Guerra. UNO will be represented by former Congress President Alfredo Cesar, Vice President Virgilio Godoy, UNO Coordinator Duilio Baltodano, Roger Mendieta, and Luis Humberto Guzman.

Meanwhile, a local daily is reporting that Presidency Minister Antonio Lacayo, on behalf of the government, and FSLN Secretary General Daniel Ortega, Sergio Ramirez, and Bayardo Arce, representing the FSLN, will participate in a meeting between the government and the FSLN.

It was also learned that Duilio Baltodano and Vice President Virgilio Godoy, representing UNO, and Daniel Ortega, representing the FSLN, will attend a meeting between the FSLN and UNO.

Details on the agenda or the exact place of the meetings were not known. At a meeting of the UNO Political Council, however, Vice President Godoy said the meetings should be held with some discretion in order to produce results.

Finally, it was learned that the Spanish, Venezuelan, and Chilean ambassadors will participate in the meetings as observers.

These combined actions could pave the way for a real tripartite dialogue between the parties representing the various sectors in the country, as demanded by the Nicaraguan people.

Sandinist Deputy: Humberto Ortega 'Must Resign'

PA1109130693 Managua LA PRENSA in Spanish 9 Sep 93 pp 1, 16

[Text] Ray Hooker, a member of the National Assembly's Directorate, told LA PRENSA that General Humberto Ortega "must resign as soon as possible from his position as commander in chief of the Sandinist People's Army [EPS]."

Hooker, Sandinist deputy for the South Atlantic Autonomous Region (RAAS), said, "Ortega's resignation would benefit everybody," including the Sandinist National Liberation Front, the EPS, and the citizenry. The Sandinist parliamentarian from the Atlantic coast added that members of his party have commented that Ortega's presence "is harmful" to the Sandinist faction advocating changes in the policies of Sandinism. "In no army existing in the world today has a chief held onto power for as long as Gen. Ortega," said Hooker.

Gen. Ortega's resignation has been one of the most controversial topics of the Chamorro administration. During her 2 September Army Day speech, President Chamorro announced that Gen. Ortega would be removed from his post next year. This announcement was supported domestically and internationally.

In Nicaragua, the Opposition National Union (UNO) asked the central government to obtain Gen. Ortega's resignation. Other civic and partisan institutions, such as the Nicaraguan Civic Movement, the Let's Save Democracy Civic Movement, and the Higher Council of Private Enterprise (COSEP), have made the same request.

Ray Hooker's statements asking for Ortega's dismissal are adding fuel to Sandinism's internal polarization. Before President Chamorro's speech announcing Ortega's 1994 departure, Francisco de Asis Fernandez, a member of the Sandinist Center Bloc, said that as part of "a national project" Ortega should resign voluntarily. Fernandez added that, given the current state of affairs, Humberto Ortega no longer needs to resign "because his resignation is a fact." Fernandez added that if Ortega resigned right now, "he would just be advancing a deadline, which has already been given to him."

Article Notes Revolutionary Front Demands

PA1409013693 Managua BARRICADA in Spanish 13 Sep 93 p 12

[Article by Juan Carlos Sarmiento]

[Text] Venecia, Esteli—The Peasant-Worker Revolutionary Front (FROC) has threatened the government with carrying out very large armed actions if, within the next week, a commission, that will hear its demands, does not arrive in the area.

Surrounded by many of his men, who merged with residents of Venecia, a peasant settlement located 20 km east of Condega, *FROC chief Pedrito El Hondureno [Victor Manuel Gallego Hernandez]* said the government has not sat down, with seriousness, to talk with the rearmed groups [word indistinct] only understand the language of weapons.

"We cannot continue this way; if we got into this, it was because this is something serious," a pensive *compa* chief said, when evaluating the runaround the government commission, which they have been trying to meet with for the past few days, is giving them.

Support for the transportation sector

During the government-*recompas* meeting scheduled for 14 September, the members of the FROC general staff, *Pedrito El Hondureno, Alfredo [not further identified], Campesino [not further identified], and Pedron [Leonel Chavarria]*, will present a list of demands, including that the change of license plates is free for the transportation sector and that the tax on basic products be reduced.

Likewise, the FROC will demand that 16,000 minors in the northern area, who fall under the high risk category, be taken care of by the state, that basic products be distributed at the time of demobilization, that immediate compensation be given to the former Sandinist Peoples Army [EPS] officers and soldiers, and that the land debts owed by discharged soldiers be pardoned.

"We are also demanding that we receive, once we have demobilized, the legal rights for our movement to continue working with the people. There is hunger and unemployment here, and we are helping the peasants of the area with food and money so that they can work," the FROC chief added.

Much of the money recovered from the banks is used to buy food and boots for the troops and to contribute to the agricultural work done by their families. "When we need money or food we do not take it from the peasants; we take it from the government," the general staff chiefs said.

Statements by the government in the sense that the *FROC* had been disbanded after the Esteli incident were denied by *Pedrito El Hondureno*, who claims he has more fighters. "In cities like Masaya we have a column; in Managua we have cells, and we have a presence at the factories," he added.

The rearmed chiefs are sure that the EPS will not be able to control simultaneous actions launched throughout the country. "We can do this, but who will assume the consequences?" the FROC leaders asked, adding "this is why we want to end the armed conflict."

Regarding the presence of the rearmed in the area, the Venecia peasants as well as Mrs. Valeria Calderon said that they had no problems and that they were working as usual. "When the FROC men came here they gave us rice and oil. If we were afraid it was because the Army was chasing them," Maria Etanislaa Gomez, a peasant, said.

* D. Ortega Explains Attack on Esteli

93CA0182A Havana TRABAJADORES in Spanish 26 Jul 93 p 2

[Report on interview with FSLN Secretary General Daniel Ortega by Miguel F. Roa in Havana; date not given; first two paragraphs are TRABAJADORES introduction]

[Text] Last week the already anguished Nicaragua was the scene of a bloody event in the city of Esteli. On one side were the Sandinist Army and Police, and on the other, former military laid off from the Sandinist armed forces.

TRABAJADORES spoke with Daniel Ortega while he was attending the Fourth Session of the Sao Paolo Forum to learn his view of this event.

The events in Esteli, said the FSLN [Sandinist National Liberation Front] leader, are the expression of Nicaragua's social situation, which is the result of the application of neoliberal policies.

According to United Nations' calculations, 70 percent of Nicaragua's population lives in poverty, with a vast number of people reduced to extreme poverty and beggary.

Neoliberal policies have caused a catastrophic economic situation with an unemployment rate of 60 percent and a major negative impact on health care and education. Moreover, there are no effective plans to generate jobs and to develop industry and exports of agricultural goods.

Along with this misery, there are many weapons on the streets in Nicaragua, and people are taking up arms to protest.

The people of the FROC [Workers and Campesinos Revolutionary Front] who on 21 July took over the city of Esteli did not want to overthrow the government, but to call attention to and support their demands.

The FROC is made up of former Sandinist officers, who want the government to keep its promises to them and other groups in Esteli and Nueva Segovia.

There are 1,500 armed men in Nicaragua, including former soldiers, Sandinist campesinos and former contras, as well as other elements without political motivations who are engaging in crime.

All this is simply a manifestation of the social decay prevailing in the country, provoked by neoliberal measures. "We can say that neoliberalism is again bringing war to Nicaragua."

In light of this calamitous situation, the FSLN has called for the creation of a national unity government, based on a change in economic policy, the transfer to the legislature

of the executive's powers in the economic area, and the cessation of the return of confiscated property to its former owners.

The answer to our problems is not military, but economic. Especially now when the right, business sectors, and the reactionary media, alleging that the Sandinist People's Army is not capable of effective action, are calling for the intervention of the Blue Berets [UN troops] in Nicaragua.

And we know, said Ortega, that the United Nation's Blue Berets would only be a facade for intervention by Yankee troops.

They should think long and hard about this before doing it, because if the Blue Berets attempt to enter Nicaragua, they will be driven back by the Nicaraguan people, the Sandinist Army and Police, and the comrades of the FROC.

*** FSLN Offers Alternative to Government Program**

93CA0171C Managua EL NUEVO DIARIO in Spanish 17 Jul 93 p 4

[Danilo Aguirre S. Commentary]

[Text] The Sandinist National Liberation Front (FSLN) can split up for only two reasons:

Because one group within it feels that it should no longer be the party of the poor, the party that fights for a more just society, the party of national dignity, but should adapt to the unipolar world that is being imposed on us. Or second, because some of its influential leaders are more concerned about establishing a leadership that is out of touch with Nicaraguan society, which demands another type of leadership.

We will take up the latter point in due time, but today we will discuss the first one, as a way of calling the attention of those who signed the most recent Sandinist pronouncements that have been issued.

The 29 individuals who placed their signatures on the first pronouncement cannot be dismissed as mere extremists, nor can the content of their document be manipulated by confusing their statement that "the FSLN is exhausting itself in dialogue" with a refusal to accept dialogue as a means of struggle.

Making use of all forms of struggle guaranteed in the Constitution and the laws cannot be construed as a call for violence; that accusation has traditionally been used by repressive regimes to deny the legitimacy of the people's demands.

It would be easy to use the same method of manipulation and say that the Sandinists who have been identified as centrists or supporters of the national project, as they would like to be called, are compromisers or former mercenaries of the revolution, and remind them of some of the things they did when they were in power.

The 29 signatories recognize in their pronouncement that it was a good idea to spend three years contributing to the stability of the country and to national reconciliation, in the hopes that a National Project would emerge, giving Nicaraguans peace and a system that would realize all the dreams of the revolution while making the necessary adjustments that the times and geopolitics made imperative.

It must be acknowledged that in the three years that have passed, the government has done a great deal to make sure the trauma of the election defeat did not turn quickly into a continuation of the war. At the same time, it has prevented the extreme right from using its legislative power to push through initiatives on property ownership and the Armed Forces that also would have led us to armed confrontation.

The government, in turn, however, has adhered to an economic program that has exacerbated our poverty, while, on the other hand, it has not even considered embarking on that national project that would have justified the sacrifices of the Nicaraguan people.

The Alternative

Today that incipient national reconciliation is threatened by pressure from internal armed groups and external economic blackmail. Meanwhile, the economy, now that the ABC's of the government's program have been adopted, is going in circles. We face the threat of a return to illiteracy, and the people are suffering more now than they were in 1990.

It is time, then, for the FSLN to offer its alternative to the Nicaraguan people. It is time to force the government, through all civic forms of struggle, not to abdicate by presenting the simplistic threat of allowing Godoy to be its successor, but to work for a national project that would head off a greater threat, the threat of Nazi-Somozism. Just as it was in Europe in the 1930's, that ideology is being put forward as a means of saving us from chaos and anarchy, and we all know what it would lead to.

There can be no differences between sincere Sandinists, and we cannot stake out extreme positions. We must join together to make sure the national project includes the following:

a) A privatization law that prevents the arbitrary seizure of the property of the people, so that we can avoid corruption in negotiations and create instruments that will truly guarantee the property of the workers.

That same law, within the bounds of the Constitution, should contain the basic premises for determining which property can be privatized, rather than falling into the trap of indiscriminate privatization that is resulting in failure throughout the world.

b) A procedure for setting limits to property claims, for mutual concessions, pragmatism, and justice, to the extent possible, with proper mechanisms for making the system work and inspiring confidence in all parties.

c) Allowing the matter of the Armed Forces to be resolved by legal means, without external pressure or extremist demands, and with sincere negotiations on the points that remain to be negotiated.

d) Planning the economy, which is not the same thing as a planned economy, so that it can be determined what is worth producing, and then proceed to develop those areas, abandoning the empiricism and improvisation that have characterized this government. For this we need a National Economic Council on which all sectors would be represented.

e) A consensus on taxation that would not allow any tax or debt that would affect the nation's assets without legislation passed by the National Assembly.

f) Unflinching consideration of ways to extend credit that would successfully combat inflationary tendencies.

g) Appointment of an honest comptroller with increased powers so that, without political sectarianism, we can finally get rid of the scourge of corruption that has taken over the government of national salvation through commissions, false bidding, cronyism, and nepotism.

Constitutional Reforms

In conclusion, though we are far from exhausting this issue, I would like to discuss the constitutional reforms, some of which are implicit in the above considerations.

Constitutional reform in essence is The National Project to which we have been referring.

Reforming the Constitution does not just cover what the parties need: no reelection, shortening the presidential term, and reducing the excessive powers of the Executive Branch.

Reforming the Constitution is laying the foundations for the Nicaragua we want to build, and that goes beyond the parties to society in general.

We must define what kind of health and education we want, what kinds of property we want to leave alone, what social guarantees should become constitutional rights, what electoral system we should adopt—one by lists or one in which each deputy is elected by a district to be a true representative. In short, we must design an entire National Project that will last for many years, not one belonging to the National Opposition Union (UNO) or to the FSLN, not one belonging to any party. And of course, the main thing is that everything should fit together in harmony with the strictest adherence to legal norms, to the true rule of law in which institutions prevail over men.

We Sandinists must join together in this effort and abandon rhetoric and manipulation. Let us present this face to the people and struggle for this project by every legitimate means available to us.

Panama

Civic Renewal, UDI Leaders on Constituent Assembly

PA1309231793 Panama City EL SIGLO in Spanish 13 Sep 93 p 12

[Report by Roberto R. Rodriguez]

[Text] Leaders of the Civic Renewal Party and the Independent Democratic Union (UDI) have said they agree with the need for a national constituent assembly but warned President Guillermo Endara that it is "too late to convoke one."

UDI provisional President Jacinto Cardenas reiterated that his political organization supports the idea of a constituent assembly but disagrees with electing its members on 8 May 1994. That would complicate matters for the electorate, who on that same date must elect a president, deputies, mayors, and other government officials using a single ballot.

Cardenas said that a constituent assembly must be convoked by the next president, who will be elected 8 May 1994, and not by President Guillermo Endara.

The UDI held its first convention on 12 September. According to its leaders, talks are under way to create an alliance among recently created parties, which could include the National Integration Movement (MINA), the Civic Renewal Party, and other political organizations.

Meanwhile, Tomas Herrera, provisional president of the Civic Renewal Party, confirmed that both parties have been holding talks on a possible political alliance for the 1994 elections.

Herrera denied divisions within his party, noting that only one member has resigned. He reiterated that the members of that party favor calling a constituent assembly, as proposed a few days ago, but that first it will be necessary to define certain legal aspects concerning that institution.

Contrary to what Cardenas said, Herrera feels that a constituent assembly should be elected 8 May 1994, the same day of the general elections. He added that the constituent assembly should be parallel to the other government branches and that it will be necessary to define the parameters of its work and actions in drafting a new Constitution.

Argentina

Menem Congratulates Peres on Agreement With PLO

PY1309183093 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 13 Sep 93

[Text] The peace agreement between Israelis and Palestinians was signed today.

Just as he congratulated PLO leader Yasir 'Arafat, Argentine President Dr. Carlos Saul Menem also congratulated Israeli Foreign Minister Shim'on Peres a few hours ago.

The Argentine chief of state also noted that our country had something to do with the achievement of this agreement. Dr. Carlos Saul Menem added that contacts with leaders from that region have quietly been held during the past few years.

Commenting on the Argentine influence in the agreement signed today—a few minutes ago—in Washington, the chief of state explained that it was a contribution toward solving the conflicts between these two nations.

Poll Reveals Argentines Prefer Menem to Alfonsin

PY1309215993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1801 GMT 12 Sep 93

[Text] Buenos Aires, 12 Sep (NA)—An public opinion poll conducted by a private company has revealed that around 52 percent of those surveyed believe that President Carlos Menem's administration is "better" than that of former President Raul Alfonsin, while nearly 30 percent consider Menem's administration "worse" than Alfonsin's.

The public opinion survey, conducted by the Unity for the New Majority Studies Center, revealed that 52.4 percent of those polled consider Menem's administration better than Alfonsin's, 29.8 are of the opinion that Menem's administration is worse, and 17.8-percent declined to answer.

The survey, which was conducted among 1,000 residents from Buenos Aires and greater Buenos Aires, also revealed that 83 percent of those who voted for the PJ [Justicialist Party] in the previous presidential election believe that Menem's administration is better than that of Alfonsin.

The same opinion is held by 67.3 percent of those who voted for the UCeDe [Democratic Center Union] in the previous elections; 42.9 percent of those who voted for Modin [Movement for Independence and Dignity]; and 41.2 percent of those who voted for the Socialist Unity.

The opposite opinion—namely that Menem's administration is worse than Alfonsin's—is held by 61.3 percent of those who voted for leftist parties, 51.9 percent of those who voted for the UCR [Radical Civic Union], 41.2 percent of those who voted for the Socialist Unity, 35.7 percent of those who voted for Modin, and 14.5 percent of those who voted for the UCeDe.

Brazil

Environment Minister Coutinho Jorge Resigns

PY1409012093 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 13 Sep 93

[Text] Environment Minister Coutinho Jorge has resigned. He said he resigned in compliance with a decision by the Para regional PMDB [Brazilian Democratic Movement Party] branch to withdraw from the government.

Coutinho said that ethically he had no choice and that President Itamar Franco understood his position. The minister said his position is independent from that of other PMDB ministers.

[Begin Jorge recording, in progress] ...an agreement that we would resign together if the party made a decision in this regard. Yet the events gathered momentum between last Friday and Sunday. I therefore informed them that I had no other choice. They understood my position, because my personal position is beyond all doubt very different from that of the other ministers. They should make a final decision on 21 September. [end recording]

Jorge will now return to his seat in the Senate. He said that even if the PMDB decides to break with the government, the party will not be able to withdraw its support for the measures that are important for the country. For this reason, it is not a matter of shifting to the opposition.

Transportation, Social Security Ministers Resign

PY1409001893 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 13 Sep 93

[By Brasilia correspondent Alexandre Garcia]

[Text] Social Security Minister Antonio Britto, Transportation Minister Alberto Goldman, and Senator Pedro Simon, the government leader in the Senate—all of them PMDB [Brazilian Democratic Movement Party] members—a short time ago tendered their resignations to President Itamar Franco.

Minister Antonio Britto told me that this does not mean a break with the government. The objective of their resignation is to give the party full freedom to decide on Tuesday whether to remain in the government, without the constraint of the possible resignation of ministers.

On the other hand, the ministers who resigned can also support the continuation of the party in the government, without this meaning that they are defending their posts.

President Franco understood the situation, and asked the three of them to remain in their posts until a final decision is made.

Economic Advisers Pressure Government To Apply Shock

PY1309224993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Sep 93 p 3

[Report by Jose Negreiro]

[Text] Finance Minister Fernando Henrique Cardoso's main advisers are convinced that the implementation of an economic shock at the beginning of next year will be the best way to gain the time needed for continuing the search for a broad political agreement to assure the continuity of the fiscal adjustment program after the shock. The minister is also being pressured by politicians to bring the date of the shock forward. He might have to implement it before he can get Congress to support the reforms he intends to implement.

Experts made clear in confidential conversations that they cannot officially admit they are preparing "a shock" because the word is synonymous in the minds of the people with breaking contracts and seizing capital. The experts admit, however, that it is impossible to defeat inflation without a radical deindexation of the economy, that is, a sudden freeze of the main index. This does not, however, necessarily mean breaking any legal rules.

The best examples of this ambiguous attitude are Cardoso's own statements. Sometimes he speaks of "blows" and of "betting" against inflation—words that are synonymous with shock—and sometimes he denies any intervention. There are other dilemmas worrying the economic team as well: Should the adjustment precede or follow the shock? The members of the economic team are already studying the measure, and it is up to the minister and the president to judge the timing and form it will take.

According to one source, hyperinflation is inevitable unless inflation is drastically reduced by July of next year. In this case Franco's government will suffer a credibility crisis. An adviser to the minister said: "The campaigns of all presidential candidates will be based on attacking the inflationary chaos generated by the government's incompetence. That cannot be allowed to happen."

Ingredients—The shock being prepared by the Finance Ministry will not be devoid of the ingredients used by other countries that have successfully implemented programs. The shock will contain elements of at least three of these programs: Fiscal adjustment (before and after deindexation, implying the extinction of monetary adjustments in some cases), accelerated privatization, and the freezing of the main economic index.

When the issue began to be discussed it was thought that the best anchor (the neologism used by economists to mean the freezing of the index) would be to fix the foreign exchange rate along the lines of one of the several ways implemented by countries with stabilization programs. The Argentine model, which is considered the most attractive, presents two difficulties that place the experts against it: First, inflation remains at rates higher than international standards because many products which do not have an equivalent in dollars push up inflation and drag salaries with them, and second; exporters and industrialists who must face competition from imported products pressure to get the Central Bank to change the foreign exchange rate.

Recently, experts began examining the possibility of establishing a new index capable of reflecting mean price increases more accurately than at present. Once this new index is established and adopted it will become the main economic target for freezing at the time of the shock. The economic team has also began discussing an acceleration of the privatization program. Measures in this respect will probably be announced at the end of the month.

Another important step was the separation of the Central Bank and National Treasury accounts, which is considered the first step toward a broader fiscal adjustment because it implies the elimination of the inflationary sources used to finance the public deficit.

'Black Box' To Reduce Internal Debt

PY1309221493 Rio de Janeiro O GLOBO in Portuguese 10 Sep 93 p 23

[Text] Brasilia—The internal public debt (in securities), which currently stands at $100.9 billion, will be reduced by $52 million by the beginning of 1994. This will be the first concrete effect of the separations of the accounts of the National Treasury and the Central Bank—the so-called opening of the "black box" which will clarify how the government uses inflation to finance itself.

The measure was announced yesterday by Finance Minister Fernando Henrique Cardoso, during a ceremony that was attended by special adviser Edmar Bacha, Central Bank President Paulo Cesar Ximenes, and Pedro Malan, who was to be installed as Central Bank president a few hours afterward.

The internal debt will be effectively reduced to what is really $9.2 billion. Such was the Central Bank's profit during the first half of the year, which will be used entirely to pay the debt. This means that Law No. 7,868 of 1989 will be complied with for the first time. The difference of $42.8 billion corresponds to the portfolio of securities that served as a guarantee [lastreava] deposited in the Central Bank for the payment of the foreign debt. This portfolio will be transferred to the National Treasury when the renegotiation of the debt with the private banks concludes in January.

With the condition of informing the National Monetary Council, the finance minister has authorized the immediate exchange of these securities—whose average maturity term is 11 months, and which pay an average 17 percent interest per year—for National Treasury Notes (NTN) with a maturity date of up to two years and earning interest compatible with those of the international market (5 percent per year). The difference between the domestic interest of 17 percent per year and

the interest charged on the foreign debt explains part of the fabulous results obtained by the Central Bank during the first half of the year.

The government yesterday reported that by exchanging these securities the government will "save" $2.8 billion in future payments by the National Treasury to the Central Bank. These savings are still questionable, because that money normally used to return to the National Treasury, as a "result" of the Central Bank. If the exchange of securities were added to the collection of $9.2 billion worth of securities from the Central Bank portfolio, the "savings" will increase to $8.6 billion in "future payments" of debts. The level of interest rates in the short term must not change, said Central Bank Monetary Policy Director Francisco Pinto.

With the measures announced yesterday the portfolio of Central Bank securities will drop from $74 billion to $22 billion by the beginning of 1994. And by government estimates, the accumulation of interest on debts will drop from $155 billion this year to $43 billion in 1994.

* Treasury Announces Timetable for Releasing Funds

93SM0409A Sao Paulo GAZETA MERCANTIL in Portuguese 13 Aug 93 p 3

[Article by Brasilia correspondent Raquel Stenzel]

[Text] Yesterday, the secretary of the national treasury announced the timetable for releasing the budget appropriations for operating expenses and investment for this second half of the year. The sum involved is CR$589 billion [real cruzeiros] (about $6.8 billion), to be released as follows: 15 percent in July and August, 38 percent in September and October, 42 percent in November and December, and 5 percent next year. This is the first time that an administration has announced in advance how the budget appropriations will be released. The move was part of an agreement signed with the Congress in July which led to the approval of the $6 billion budget cut proposed by the administration (actually the cut was $4.1 billion).

"This measure is important within the standard imposed by Finance Minister Fernando Henrique Cardoso that the budget had to be realistic, since it enables government managers to be able to predict when and how much money they will have available," National Treasury Secretary Murilo Portugal Filho pointed out.

In developing the disbursement timetable, the National Treasury applied three criteria: inflation, forecast tax revenues, and seasonal spending patterns. That is why the installments do not have the same face and real values—the largest disbursement will be made at the end of the year. "This was the best timetable we could produce without jeopardizing the balance between revenues and expenses while, at the same time, guaranteeing the scheduled releases of funds," he explained.

The timetable was presented to the members of the Joint Budget Committee last Tuesday evening. According to Portugal Filho, the legislators understand the problems the government is having and agreed to the programming.

The presidential decree requiring a timetable for release of the expenditure and investment funds is supposed to be announced by next Monday.

The CR$589 billion balance does not include personnel expenses, or the payroll contributions on net profits and the Cofins—the appropriations that go to health, welfare, and other ministries—because those release dates are fixed and cannot be changed.

The appropriation for this semester totals CR$975 billion when the CR$589 for operating expenses and investment are added to the CR$325 of Cofins and contributions on profits.

The National Treasury Secretary "rejected" the report published yesterday in the press that the administration is using the release of budget funds to ensure that the National Congress approves the new wage policy. "That is an insult to the Congress and to the finance minister," Portugal Filho retorted.

The National Treasury will release the reports on spending for the month of July next Tuesday. According to Murilo Portugal, the delay in release of the figures is due to additional problems involved in the currency change. He did not want to predict whether the Treasury will have a deficit or a surplus, but pointed out that the government is trying to balance its accounts.

Army Minister Meets Russian Official, Visits Military Base

PY1409013393 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Sep 93 p 11

[Article written "with the cooperation of Jaime Spitzcowsky, from Moscow"]

[Text] The first official meeting Army Minister General Zenildo de Lucena held in Russia was with Ivan Materov, first deputy minister for economy, on 9 September. Although the Brazilian Government has not yet confirmed that Gen. Lucena traveled to Russia to negotiate the swap of Russian weapons for Brazilian grain, the minister's agenda seems to indicate so.

Yesterday Gen. Lucena visited a military base near Moscow where he watched military exercises. Today Gen. Lucena is scheduled to meet with the highest ranking military authority on his agenda, namely Andrei Kokoshin, first deputy minister for defense [name and title as published].

Tomorrow the Army minister will travel to the historic city of St. Petersburg to visit other military facilities. The Brazilian Army is interested in buying short-range missiles and tanks built with the former Soviet Union technology.

Even though it has not yet been confirmed, Gen. Lucena is to give a news conference on 14 September before leaving for China, the second leg of his tour.

There has been very little coverage of Gen. Lucena's visit in the Russian press. The only information disclosed by the Russian Foreign Ministry and the Brazilian Embassy is the minister's agenda. Nothing was said about the tenor of the negotiations.

*** Sale of Arms Manufacturer Negotiated**

93SM0384C Sao Paulo ISTOE in Portuguese 21 Jul 93 p 67

[Text] The biggest and most heavily indebted armaments manufacturer in this country, Engesa [Specialized Engineers, Inc.], now in Chapter 11, has been on an emotional roller coaster. A little more than a month ago, it was bankruptcy that knocked on its door. An officer of the court went to company headquarters in Sao Jose dos Campos (Sao Paulo State) to affix seals on the doors, a clear warning that bankruptcy was only days away. The only reason he could not carry out his mission was that the 1,300 employees, who have not been paid since March 1990, managed to delay execution of the judgment. However, on Tuesday 13 July, it was hope that crossed Engesa's path. After four months of negotiations, Jose Guilherme and Jose Luiz Whitaker Ribeiro, owners of the facotry of tanks, jeeps, and war materiel, agreed to sell it to a Sao Paulo holding company known as Brasilinterpart, and a group of Saudi investors for the symbolic sum of $1 million cruzeiros [Cr].

The price paid is not even enough to fill a Volkswagen bug's gasoline tank, but the key to the deal is Engesa's debt. No one knows for sure how big the shortfall is, but the purchasers have a safeguard clause in their contract. A group of auditors has three months to determine the company's status. If the total debt exceeds $350 million, Brasilinterpart has the right to make its final decision. "We are already almost certain that the debt is more than that, and we want time to negotiate with the pool [preceding word in English] of creditors, which include suppliers, the government, Bank of Brasil, domestic and foreign banks," said Brasilinterpart's attorney, Alexandre Thiollier Filho. "If there is not good will on the part of the creditors, all this effort will go down the drain," he warned. In other words, the buyers have three months to convince the creditors that it is better to receive less, as long as they get something. In the case of the debts to Bank of Brasil and the Social Security system, for example, a reduction means that the taxpayer will also bear some of the cost of fixing up Engesa.

Brasilinterpart, directed by Wilson Mendes Caldeira Junior—or Cito as his friends call him—is not alone in this enterprise. Cito, who sold Brazilian armaments in Europe in the 1970's, convinced the Saudi group Overseas Finance and Management Corporation to buy 40 percent of Engesa. Brasilinterpart would get 60 percent, so it would be the majority shareholder. "Brasilinterpart has not closed any deals recently, and we doubt it is strong enough to bankroll 60 percent of Engesa, observed Roberto Teixeira da Costa, president of Brasilpar, suggesting the existence of an under-the-table contract that would give Overseas Finance the real control over the company.

Engesa has not paid into the FGTS [Severance Pay Fund] since 1987, has not met its payroll since 1990, and has been practically taken over by its employees, who are assembling and delivering some vehicles in order to ensure survival. Eletropaulo [Sao Paulo Electric Power Company] has cut off the electricity from the offices for lack of payment, which may perhaps delay the audit by Brasilinterpart. Even in tatters and with debts of hundreds of millions of dollars, Engesa is said to be able to make weapons suitable to perform well in desert regions. Tested in the desert, Engesa's Osorio tank was considered at the end of the 1980's to be one of the combat vehicles best suited to the Middle East climate. In 1989, the Saudi government signed a contract to buy 318 tanks, worth $2.2 billion, but the deal was never implemented, because of pressure from the American armaments industry.

Although it does not appear on the list of shareholders, the Brazilian Army has a prominent seat at any meeting that decides what happens to Engesa. Under the Sarney government, the firm was advanced $100 million to cover the delivery of more than 1,000 jeeps, trucks, and armored vehicles. The vehicles never materialized. With such firepower, the Army was invited to participate in all the negotiations captained by Brasilinterpart and witnessed the signing of the contract on Tuesday the 13th. According to Alci Villar dos Santos, legal superintendent of War Materiel Industry (IMBEL) and representative of the Braziliany Army, military authorities are aware of the Arab role in the purchase of Engesa.

*** Mercosur Nations' Talks Entering Crucial Phase**

93SM0384B Sao Paulo GAZETA MERCANTIL in Portuguese 27 Jul 93 p 5

[Article by Brasilia correspondent Maria Helena Tachinardi]

[Text] The Common Market of the South (Mercosur) is entering a phase where crucial decisions must be made, yet the process is complicated by the differences among the countries. In the field of maritime transport alone, the topic assigned to Working Subgroup 6, there are three concerns on the table: drafting of a multilateral water transport agreement, establishment of a common regime for ships, and regulations for multimodal transport.

In the area of maritime transportation, the differences are obvious: users want the Mercosur to be open to flags from outside the region, in an attempt to reduce freight rates. This proposal was submitted by the Argentine Industrial Union (UIA), but encountered resistance from the Brazilian side. "Brazilian companies have high operating costs, but leaving the markets at the mercy of third-country flags may not be efficient, since when an

economy recovery occurs in the northern hemisphere, the shipowners may no longer be interested in Mercosur cargo," a Brazilian diplomatic source commented. A more rational solution, he added, would be to maintain a slice of the market for Mercosur countries, open the market slightly to third-country flags in order to obtain a price parameter and prevent the formation of cartels, while, at the same time, establishing a mechanism by which shippers and users can negotiate with each other based on the operating costs of the companies and the setting of freight rates that consider the interests of the operators.

On the bilateral plane, Brazil and Argentina already have a closed agreement that gives each country a 50-percent share except for shipments of iron ore, which are handled exclusively by Argentine vessels, and wheat and petroleum, products transported only by Brazilian ships. The shipowners would like to "quadrilateralize" that closed market, i.e., set up a structure for all four countries, an intra-Mercosur agreement. In order to neutralize the differences between Brazil, Argentina, Uruguay, and Paraguay, "the idea is to create a common set of regulations for ships in which the conditions of vessel registry are more favorable and flexible than the respective national registration rules, hence a way to harmonize costs." A meeting will be held in Rio de Janeiro in September to work out a multimodal transport agreement. As for air transport, there is no separate forum for discussion because Brazil, unlike Argentina, does not want an "open skies policy" that could hurt Brazilian airlines.

Technical Standards

This topic has been assigned to Subgroup 3, with coordination by Inmetro [National Institute of Metrology, Standardization, and Industrial Quality] and the ABNT [Brazilian Association of Technical Standards]. It is one of the most complex activities. Of the 28 resolutions approved at the meeting of the Common Market Group held a few days ago in Asuncion, 19 pertained to technical standards. Harmonization of technical standards is important since it will affect competition among companies. Brazil takes the position that Mercosur technical standards must be compatible with the most advanced international standard.

Customs Affairs (Subgroup 2)

The Recife Agreement on the integration of borders was approved. Bureaucratic procedures will be eliminated and phytosanitary rules will be harmonized. The big problem is the city of Uruguaiana, through which 80 percent of Brazil-Argentina trade passes. Problems are aggravated by the increased numbers of Argentine tourists (500,000 between January and March) who are entering Brazil, a backup of trucks, and the strike by the Federal Revenue employees. Three years ago, 60 Brazilian immigration control agents were assigned to that post; now there are only 20.

The European Economic Community (EEC) and Mercosur are cooperating, and by the end of this month the Mercosur customs code should be ready.

Land, Maritime, and River Transportation (Subgroups 5 and 6)

By the end of this year, Uruguay will abolish its quota system for maritime transport. The border crossing at Uruguaiana/Paso de Los Libres is to be permanently staffed to allow free passage. The groups are working on an agreement on transportation of hazardous materials, a single regulation on companies authorized to carry international freight, and a more flexible basic network of regular and seasonal service for transportation of passengers.

Agriculture (Subgroup 8)

The Mercosur agriculture ministers have not yet met, but they will have to decide whether or not there will be a common agricultural policy. A Mercosur sanitary agreement has been approved, to prevent the use of nontariff barriers. When one country adopts a new rule it has to notify the other. Regarding industrial reconversion, it was decided to let each country handle this issue.

Industrial and Technological Policy

Treatment of tax-free zones and the processing of exports in Mercosur are being discussed. Industrial promotion regimes will be harmonized. A pilot project will be carried out with the textile sector to test its degree of competitiveness.

Commercial Affairs (Subgroup 1)

By 31 December of this year there is to be a final determination of the common external tariff for each product.

Coordination of Macroeconomic Policies (Subgroup 10)

The meeting on this topic has just been held in Rio, and progress was made on the issue of consumer protection, "which must be modern" (there is a convergence of focus in this area). The four countries exchanged information on the impact of the tax burden and examined the matter of services, which is difficult to discuss because there is no "common external tariff for services."

Fiscal and Monetary Policy (Subgroups 4 and 7)

A seminar on foreign exchange and monetary systems will be held in one of the Mercosur countries in cooperation with the EEC. Brazil submitted a proposal for harmonization of the capital markets on the basis of the following items: securities issuers, independent external institutional investors, and compensation systems. The four countries have made progress on drafting a regional agreement to protect and promote investments, but it ran up against three problems: Brazil's constitutional restrictions on free access for foreign investment and other restrictions (also stipulated in the Constitution) on

granting national treatment to the investors who are admitted. Uruguay has constitutional restrictions on international arbitrage. "The will probably be handled politically," an Itamaraty source commented.

Trade Damage Definition Begins Tomorrow

Delegations from Brazil and Argentina will meet tomorrow in Rio de Janeiro to discuss a broad range of commercial subjects, including the Argentine threat to impose safeguards (quotas) on products like "liner" [preceding word in English, as published] paper, freezers, refrigerators, and porcelain electric insulators. After an essentially technical meeting in Buenos Aires last week, during which the two sides checked their figures, the officials from both countries will meet in Rio to decide on the imposition of safeguards.

Brazil intends to cite Article 18 of the bilateral Economic Complementing Agreement (ACE-14), according to which the damage assessment must be analyzed by each country, taking into account the evolution of such factors as the following aspects as regards the product in question: level of employment; market share; bilateral trade; and behavior of imports and exports in relation to third countries.

There are some threatened Brazilian products whose importation by Argentina, for example, is lower than imports by other countries. This being the case, the two delegations will go through an exercise so that, if it actually becomes necessary, the imposition of quotas will cause the least possible harm to Brazilian companies. The chapter on safeguard clauses in the ACE-14 also says the quotas will be in effect for one year and may be renewed for another, consecutive year. However: "In no case may the application of safeguard clauses extend beyond 31 December 1994," according to Article 20 of the agreement.

Another aspect to be discussed in tomorrow's meeting: measures recently taken by Brazil to reduce the surplus in its trade with Argentina, which came to $1.5 billion in 1992. Brazil plans to boost its purchases of petroleum derivatives from that country. A delegation from Petrobras [Brazilian Petroleum Corporation] has gone to Buenos Aires to discuss the subject, noted Ambassador Rubens Barbosa, Itamaraty's undersecretary general of economic affairs, integration, and foreign trade. Barbosa and Foreign Trade Secretary Renato Marques will head the Brazilian delegation. The Argentines will be led by Jorge Hugo Herrera-Vegas, coordinator of the Argentine section of Mercosur, and Carlos Kerzman, of the Department of Industry and Commerce.

[Box, p 5]

Quotas for Paper and Textiles

The steps taken by Argentina to curb its imports of textile products and paper will adversely affect trade among the Mercosur partners, said Paraguayan Foreign Minister Alexis Frutos Vaesken. In statements published yesterday in Asuncion, Frutos Vaesken said his country will be the least hurt by the Argentine decision because it is not a paper producer and, as for textiles, these are included on the list of exceptions. (This means they are not on the timetable for reduction of import tariffs to zero by January 1995.) Certainly this situation "does not mean that the issue need not be studied by the Common Market bodies, where pressure will be brought by the countries most affected," the diplomat observed, according to EFE.

Chile

Foreign Minister Welcomes Palestinian Peace Accord

PY1309210093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 13 Sep 93

[Text] Foreign Minister Enrique Silva Cimma said that Chile welcomes the peace agreement between Israel and the PLO.

[Begin recording] [Silva Cimma] In principle, we think the accord is very good. We have been proposing it for some time. I talked about the need for a peace conference during one of my first visits as foreign minister to Arab countries and Israel in May 1990. We are quite satisfied to see this initiative succeed. We will issue an official communique as soon as we have studied the text of the agreement.

[Unidentified reporter] Why has Brazilian President Itamar Franco's visit been postponed?

[Silva Cimma] It is simply due to Brazilian internal considerations.

[Reporter] What about the Brazilian citizen who was tortured?

[Silva Cimma] That has nothing to do with the postponement. [end recording]

EC Approves Entry of Chilean Sea Products

PY1309210793 Madrid EFE in Spanish 1836 GMT 11 Sep 93

[Text] Santiago, 11 Sep (EFE)—The Chilean Foreign Ministry today reported that the EC has approved the entry of Chilean sea products in its market, a measure that favors about 180 Chilean producers.

The decision was made following the visit of a group of European experts to Chile, according to Pro-Chile, the Foreign Ministry Institute for Export Promotion.

Pro-Chile has reported that the European delegation has verified that the Chilean conditions of production, storage, and shipment to Europe meet the required standards.

The measure will be valid until 1995 but bivalve mollusks are not included since the laws on their importation must yet be reconciled.

The shipments for Europe will be supervised by the National Fishing Service, an organization that was entrusted by the EC to certify that the Chilean exports comply with the corresponding norms.

Interior Minister Comments on 11 Sep Incidents

PY1309150993 Santiago Radio Cooperativa Network in Spanish 1100 GMT 13 Sep 93

[Text] Interior Minister Enrique Krauss has said that the government will appoint a special prosecutor to find out who was responsible for the serious clashes between demonstrators and Carabineros on 11 September, the 20th anniversary of the 1973 military coup.

Two individuals died and dozens were wounded during the rallies organized by leftist groups on Libertador Bernardo O'Higgins Avenue and at the General Cemetery.

[Begin recording] [Krauss] I blame all those who organized the rallies. I do not know whether the Communist Party was involved. I also blame the individuals directly involved in the violent acts. We want to find out who they are.

[Unidentified reporter] Will the government issue warrants for their arrests?

[Krauss] We have already asked for the appointment of a special prosecutor. We will decide what other legal action to take later, according to the results of the investigations. [end recording]

Minister Krauss said that the people who threw stones, Molotov cocktails, and wrote dirty things on national monuments do not belong to the real Chile.

Colombia

Soldiers Accused of Aiding, Abetting Escobar

PA1309122193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 11 Sep 93

From the "NTC News" newscast.

[Text] Nothing is known about Pablo Escobar's current whereabouts. We now know, however, that several 4th Brigade officers were accomplices in providing luxuries to the capo and helping him escape.

Captain Juan Carlos Rodriguez and Lieutenants German Gonzalez Miranda and Juan Carlos Sotero Mantilla received cash and bonds from Escobar to cover up irregularities at the Cathedral [Envigado maximum security prison].

The Attorney General's Office has disclosed that the three officers, 1st Corporals Solarte Lucero Segundo, Danilo Gustavo Torres, and Orlando Mongui, along with Sergeant Carlos Duran Guerrero, erased the entry of articles from the prison's entry ledger. The Attorney General's Office also revealed that one of Escobar's cronies, known as El Limon, gave each officer 500,000 pesos each time in exchange for the entry of vehicles, portable phones, books, motorcyles, and other items.

Former Army Commander Manuel Alberto Murillo and former 4th Brigade Commander Brigadier Gustavo Pardo Ariza are also implicated in this case for not issuing clear orders in compliance with instructions given to them by the Council of Ministers on 21 July 1992.

*** Samper Introduces 'Open Dialogue' Format**

93P20331 Santa Fe de Bogota EL TIEMPO in Spanish 20 Aug 93 p 6

[Text] Precandidate Ernesto Samper will introduce a new style in his presidential campaign beginning 2 September. It involves having a direct dialogue with people in neighborhoods in the 100 largest cities of the country. The first meeting of this type will take place in the "La Perseverancia" neighborhood of Bogota.

The open dialogue" [conversaciones abiertas], as the campaign style is called, breaks with the traditional pattern of long speeches, platforms filled with leaders who fight over who is to speak, and an audience who usually has to wait two or three hours for the candidate to finally speak.

In contrast, without the platform and with an audience of no more than 100 people gathered in a semi-circle, Samper will briefly outline his point of view regarding the problems of the neighborhood or town, and will immediately respond to all who express a concern.

In this way the community and the precandidate will work out a concrete plan of action for resolving the principal problems of the area, said Fernando Botero, the national coordinator of the campaign.

There will be no liquor, no suckling-pig, no buses going to the neighborhoods, as is usually the case in traditional organized events, because the point is to directly reach the community which will spontaneously express its point of view, explained the former senator.

"This is not to rule out that in the final stretch of the campaign there might be large popular gatherings, but the method which will prevail will be that of open dialogue with the community," added Botero.

"Ernesto Samper is convinced that it is not possible to exercise leadership without first listening to the people of Colombia. As a result, the proposals which will be formulated for the country will be driven essentially by those encounters with the people," said Botero.

And he added that "the program does not have a fixed duration. To avoid the isolation which sometimes affects presidents, Ernesto Samper intends to continue with the program during his administration. This will make it possible to carry out the immense responsibilities of the presidency more effectively."

This format was used successfully by Bill Clinton and Felipe Gonzalez, presidents of the United States and Spain, respectively, according to Botero.

"There are many ways to get to know the values and personalities of the presidential candidates. A good indicator of their values and personalities is the manner in which they structure and develop their presidential campaigns. By announcing the 'open dialogue' approach, Samper is telling Colombians that he values their participation in the campaign, that he values their ideas, that he needs their suggestions and comments, and that as president he will be in permanent and direct contact with the Colombian people," concluded Botero.

*** Samper Discusses 'Apertura,' Economic Integration**

*** 'Reciprocity' in Trade Relations Needed**

93SM0406A Barranquilla EL HERALDO in Spanish 2 Aug 93 p 14A

[Article by Fabio Marin Ramirez on 2-part interview with Liberal Party presidential hopeful Ernesto Samper: "Neoliberal Opening Has Already Happened; Internationalization Is Coming"; place and date not given]

[Text] Santa Fe de Bogota (COLPRENSA)—Presidential hopeful Ernesto Samper Pizano has asserted that he does not conceive of the economic opening merely as a reduction in tariffs and the elimination of the prior license but rather as a much broader internationalization of the economy, which has not come about so far. Samper said that the neoliberal opening has already happened and is irreversible, if by such an opening we mean the lowering of tariffs and the elimination of import licenses, in other words, what could be called a strictly commercial opening.

"This has, in point of fact, already happened and is irreversible. But to me this is not the concept of an opening. To me an opening is a much broader concept of internationalizing the economy."

In a wide-ranging conversation with COLPRENSA's political and economic editors Samper Pizano explained that in his view internationalizing the economy means that there will be an export push simultaneous with imports, that the liberalization of imports will also modernize our infrastructure so that Colombian businessmen can compete with foreign producers, and that efforts will be made to boost productivity.

"In other words, the neoliberal opening has already happened. What now remains for us to do is internationalize the economy," said the Liberal Party presidential hopeful, who announced in this regard that "he will make a real turnaround in economic policy and a change in direction so that we can truly move from what we could call a mere opening to a genuine internationalization of our economy."

Samper Pizano agreed that there are factors that are depressing the Colombian economy, citing among them the fall in world commodity prices, the violence that is hurting output, protectionism in the developed countries, and also the impact of the crash liberalization program that has been pursued over the past three years.

"This proves me right when I said that the opening had to be gradual and selective, not to mention the crisis in the farm sector, which is one of the deepest that we have seen in the past 40 years. All of these factors are unquestionably going to influence the performance of the economy over the coming year, particularly the growth rate," the presidential hopeful cautioned.

We Will Apply the Principle of Reciprocity

Samper said that so far the opening has been in only one direction, as the numbers show. Imports were up around 23 percent last year, while exports simply did not expand, "which shows that there is no reciprocity. It is fine for us to open up, but in exchange for other countries opening up to us." As an example he cited integration with Venezuela, a country with which reciprocity has indeed worked. "And here is an example: we pursued a two-way opening with Venezuela, and trade has practically doubled, as it now exceeds $1.2 billion."

He announced that the sweeping changes that he plans to make in the economy in an effort to internationalize it would mean seeking new markets, converting industries, and protecting the farm sector. On this specific point he called for the reinstatement of certain customs procedures and, in some cases, even subsidies.

Subsidies To Be Reinstated

"They will be regulations that may include buffer funds to maintain world prices, and if we have to reinstate subsidies, I will not hesitate to reinstate them, especially for agriculture," he said flatly.

As far as Samper Pizano is concerned, the size of the subsidies that the industrialized countries are giving farmers is scandalous, besides which two-thirds of Europe's farm output is subsidized. He said that the subsidy that Holland gives to each cow is equal to the per capita income in Colombia.

"How can we sell milk or meat with those subsidies? The milk that enters our country is subsidized and is ruining our ranchers. The country can open up but not commit suicide," he asserted.

Therefore, time and again he contended that reciprocity would be the common denominator in trade relations under his administration, because "Colombia cannot agree to open up its markets to European goods when it cannot sell bananas, tuna, flowers, and coal because their markets are completely closed."

He asserted that our nation's trade with the EEC is practically stagnant because Colombian products have less and less access to that market.

"The first sweeping reform of this economic policy that I would undertake would be to establish a basis of

reciprocity: We will open up to those countries that open up to us, because it makes no sense to allow foreign producers to come into our country from countries that close their markets to Colombian goods."

In this context, he said that although there would not be a complete halt to the opening, he would apply the golden rule that he has been talking about, in the sense that Colombian producers will have a guarantee that they will be on an equal footing with foreign producers.

"My assumption is that a president of the republic should be interested in creating jobs here, not in Japan or the United States. Accordingly, protection must be extended to producers so that they are on an equal footing with foreign competitors," he asserted.

Fifteen Years Behind in Infrastructure

In what we could call an outline of his economic policy with regard to internationalization, Samper Pizano said that he would pursue an infrastructure plan with a medium- and long-range goal, because the country is seriously behind in this respect.

"Our ports, our railways, our road system, and our installed kilowatts are 15 to 20 years behind the countries with which we are competing," he noted.

He added that part of the effort that we will have to make to develop our competitiveness may be financed with the proceeds from Cusiana and that the other part will have to be worked out with the regions.

"I do not share the finance minister's assessment that the way to compensate for the decentralization of revenues towards the regions is to have the State cancel its national investment programs. I find this to be the most defeatist way to handle in the short run a process that the government itself began."

He said that what has to be done, on the contrary, is to develop a new relationship between the State and the regions and to work out central-government support for them to the extent that the regions share objectives and priorities. "Otherwise, the effort that we are making to decentralize revenues would make no sense," he noted.

$110 Million in Limbo

Samper Pizano also announced that he was altogether willing to reestablish the Modernization Fund that he as development minister had agreed upon with the finance minister and National Planning.

The agreement was that part of the revenues from the Tax Reimbursement Certificate, which has been abolished, would be given to exporters under infrastructure and technology development programs.

"I agreed to the distribution of $110 million, which was to be earmarked for the modernization of ports, the creation of infrastructure for the Tourist Free Trade Zones, and technology export."

According to the Liberal presidential hopeful, this funding was incomprehensibly suspended as soon as he left the Development Ministry. "This was a fundamental tool for supporting export development, and I plan to reinstate it," he pointed out.

* Advocates 'Inter-American Trade Zone'

93SM0406B Barranquilla EL HERALDO in Spanish 3 Aug 93 p 9A

[Part 2 of 2-part interview with Ernesto Samper]

[Text] Santafe de Bogota (COLPRENSA)—Colombia must try harder to harmonize its foreign policy with its trade policy, a process that entails defining priorities in its bilateral and multilateral relations, presidential hopeful Ernesto Samper Pizano feels.

In his view, our country ought to spur the integration of the continent's subregional groups (Mercosur [Common Market of the South], G-3, and the Andean Pact) to thus pave the way for the establishment of an inter-American trade bloc that will be on an equal footing with the European Community and Southeast Asia.

In an interview with COLPRENSA Samper noted that the country must also pursue "preventive diplomacy" in human rights, the environment, and drug trafficking, these being issues in which in his view Colombia is more the focus of problems than solutions. He asserted that our country needs more aggressive action by the Foreign Ministry, explaining that positions must be taken in the services market.

Colombia has to buy marketing channels, because what are being sold today are services, and we are not thinking about transportation, or communications, or freeing up capital flows, he indicated.

Priorities

In his judgment, our first international priority must be to strengthen bilateral relations with "our natural partners," such as the United States, Venezuela, Ecuador, and Mexico.

In his view, spurring relations between economic and political blocs in the Americas, such as the G-3, the Andean Pact, and Mercosur, must be Colombia's number two diplomatic priority.

The building of an "inter-American trade zone" and an opening up to the countries on the Pacific Rim round out the country's priorities in foreign policy.

In his view, the European Community will be Colombia's fifth and last priority.

The harmonization of the integration strategies that the subregional blocs in the Americas have set in motion will not, in Samper's view, thwart the creation of the inter-American trade zone, because the provisions of the free-trade accords are compatible.

"The important thing is for us to establish common negotiating strategies," he said.

In his judgment, achieving this goal means assigning a new role to the Latin American Integration Association (ALADI), a group that in Samper's view should above all strengthen the bargaining ability of the countries of the region.

"If we accept bilateral relations with the United States as the only possible ones, that country will no doubt take advantage of each of our weaknesses to reap the most benefits," the presidential hopeful said, adding that the clear choice is to converse with Washington as a bloc.

Pan-Americanism

Convinced that the approach to take is to create a solid economic bloc in the Americas, Samper feels that only in this way will the countries of Latin America be able to avoid the harmful effects of protectionism.

His pessimism about dismantling the protectionist practices of the industrialized blocs is as evident as the arrangement towards which he leans: a pan-American (or as he prefers to call it, an inter-American) system based on the integration of subregional groups.

"We have to operate in the inter-American trade bloc and to this end we have to move forward and accelerate the potential for accords with both the countries of the Free Trade Agreement and with Central America, the Andean Group, and Mercosur," he said, noting that the world will be getting along on the basis of blocs, that is to say, the European Community, Southeast Asia, and the Americas.

After indicating that he will make every effort necessary to accelerate the process of inter-American integration, Samper noted without hesitation that "this is the only chance that we have for Latin America, not just Colombia, to eventually mean something in the world."

"Another Ibero-American Summit meeting that sidesteps the issues that are really making noise in inter-American relations, such as protectionism, xenophobia, or racism, would be just another opportunity for hot air," he added.

"These summit meetings cannot always end with mere declarations of love," he noted.

Relations With Venezuela

His opinion of the border dispute with Venezuela is that the approach must continue to be direct negotiation, which has strengthened the two countries' desire for integration. "We must not boil our relations down to this dispute, as one candidate recently tried to do with little success," he said, stressing that Colombia and Venezuela must intensify their bilateral integration.

Samper said, however, that he was worried about the impact that free trade agreements may have on border areas, an impact that can be offset only through joint investment programs and currency convertibility agreements.

* Samper: Technology Development Strategy Needed

93SM0403A Medellin EL COLOMBIANO in Spanish 7 Aug 93 p 10A

[Report by Mauricio Correa]

[Text] The country urgently needs to create more and better job opportunities so that it can eliminate the various forms of violence, consolidate peace and harmony, and achieve its true productive potential for the benefit of all Colombians.

Unemployment, underemployment, and precarious employment are making it impossible for the country to contribute fully to the productive potential of its citizens. They are also depriving the citizens of the income that would enable them to attain the prosperity necessary to build a more equitable society.

This was stated by presidential precandidate Ernesto Samper Pizano in a message sent to the Technology Transfer Forum that conluded yesterday at Eafit University.

The academic conference was organized by Colciencias and the Colombian Association of Schools of Engineering (Acofi) for the purpose of studying key technology transfer issues, risk factors in carrying out technologically innovative operations, and relations between universities or research centers and business with a view to implementing technology transfer processes.

Samper stated that the national economy has been growing at a disappointing rate for the last 13 years (an annual average of 3.5 percent), and indicated that annual growth rates must be higher than 5 percent if unemployment is to be brought below 7 percent by the end of the decade so that Colombians' standard of living can be improved.

He contended that this is not an impossible goal to achieve, given that the country managed to grow at rates of 5 percent a year during the 1950's, 1960's, and 1970's.

Cusiana

In this regard, he explained that it will be easy to return to those growth rates if the resources generated by the Cusiana oil reserves are invested adequately and if the excessive revaluation of the peso can be avoided, so that a favorable atmosphere for private investment could be created.

Samper defended the economic liberalization policy in his message, but insisted that national production cannot be left without protection against unfair competition.

In contrast, he emphasized that an efficient liberalization model should be oriented toward boosting exports

and investment in productive sectors, as well as increasing efficiency, productivity, and technological change.

For this reason, he stressed that his government program will lay the groundwork for developing truly dynamic and competitive productive activities as an indispensable condition for achieving the goals of job creation and economic growth.

He added that to attain such objectives, he intends to implement an Agriculture-Livestock Reconversion Plan that will provide for the defense and improvement of productivity and the quality of rural jobs, and an Industrial Modernization Plan that will lend impetus to the expansion and improvement of job opportunities in the cities.

These plans, which will be coordinated with the various sectors of production, will be based on three main pillars: an ambitious program of investment in human capital, a science and technology development program, and a program to improve the country's physical infrastructure.

Raw Materials

The precandidate noted that technology is an essential raw material for modernization, restructuring, and industrial reconversion, and added that the human capital investment program is complemented by decisive support for scientific and technological development. As a result, Colombia will be able to move decisively toward internationalization.

He indicated that the industrial sector has been losing international competitiveness rapidly in a process he termed "progressive deindustrialization."

He explained that the protectionist model had an adverse effect on industrial development.

"Isolated from external competition, developed with a clear antiexport bias, the productivity advances achieved over the last few decades were due more to an increase in capital or manpower than to the assimilation of innovative technologies."

Samper stated that these industrialization processes, the increase in productivity, and technology development should be the result of joint action and cooperation between the government and the private sector.

Role of the State

In this regard, he argued that the government should design a dynamic technology strategy, create an efficient and flexible institutional infrastructure, and set up solid financing mechanisms and resources that will induce the private sector to invest in technology development.

In the longer term, he said, it should build the solid foundation of human resources that is necessary for industrial development with a view to ensuring reliable and continually improving national technology.

Finally, he indicated that the country's tremendous social and political problems are becoming a serious obstacle to foreign investment, which is necessary to attain the full potential of the technology transfer that Colombia needs.

For this reason, a favorable business climate must be created and the various institutions and productive sectors must be coordinated efficiently before an aggressive development and technology adaptation process can be launched in Colombia.

* Maintaining Order in Uraba Seen as Critical

93WR0304A Santa Fe de Bogota EL TIEMPO in Spanish 26 Jul 93 p 22A

[Article by Clara Elvira Ospina]

[Text] Even Defense Minister Rafael Pardo Rueda admits that Uraba is the most critical area in the national territory when it comes to maintaining public order.

Two guerrilla fronts of the Revolutionary Armed Forces of Colombia (FARC) with 600 men and one dissident front of the Popular Liberation Army (EPL) with 150 men, growing networks of weapons smugglers, drug traffickers, bands of common criminals, and a transient population of 40,000 people have combined to make an explosive mix.

There is one more ingredient: 20,000 trade unionists, some of them undercover subversives and others people who have been threatened by the subversives. But the vast majority of them have been hit hard by the drastic reduction in banana exports and the protectionist measures adopted by the European Economic Community.

To begin with, in the early months of the year, the clash between some sectors of the FARC and guerrillas of the Francisco Caraballo Group significantly increased the number of violent deaths in Uraba.

And despite the harsh blows that the Army has dealt the guerrilla groups, especially the EPL dissidents, the subversives continue to increase their presence in an effort to take over the region.

In turn, the large transient population escalates the incidence of common crime: blackmail, protection rackets, highway robbery, and kidnapping are on the rise daily.

In the last few months, the police have received reports of an average of 15 violent deaths each weekend; there are rumors of six kidnappings that have not been reported to the authorities; and teamsters are threatening to strike if hijackings persist.

The commander of the police in Uraba, Colonel Gabriel Antonio Carrero, states that the areas hardest hit by the

robberies are the highways in the municipal jurisdictions of Chigorodo, Mutuata, and Dabeiba.

"These robberies are almost all perpetrated by guerrillas," he says. "We are trying to get it under control, but we need more people."

These and other matters were examined last weekend. Taking advantage of the visit by Defense Minister Rafael Pardo Rueda, police Director Octavio Vargas, National Security Adviser Ricardo Santamaria, and the chiefs of intelligence of the Armed Forces, the commanders of the XI Brigade, and the Police Department of Uraba submitted a detailed report on the law enforcement situation in the area.

The reports that EL TIEMPO has seen indicate that Uraba is in a critical situation, which has been aggravated by its proximity to the Panamanian border.

The report by Colonel Carlos Leongomez, commander of the XI Brigade, headquartered in Monteria, states that Fronts five and 34 of the FARC operate in Uraba, as does the Bernardo Franco Front of the Francisco Caraballo Group. In addition, there is a small group belonging to the Socialist Renewal Current of the ELN.

According to the brigade, there are more than 750 guerrillas from all groups in the area, but the FARC is the strongest organization.

The Caraballo Group has about 130 men, the FARC Front Five has 300, and Front 34 has another 300.

The latter front, divided into three squads, controls a vast area in Uraba, but it is Front Five that maintains operational and financial control over the FARC in that region of the country.

The Army's campaign against the insurgents in this part of the country resulted in a total of 88 guerrilla casualties in the first six months of this year, while there were 11 casualties among the officers, petty officers, and enlisted men in the Army.

Faced with the Army's harassment, however, the guerrillas fled to Panama, where not only are they beyond the Army's reach but they are also able to make money by producing narcotics.

In the last few months, the guerrillas even tried to persuade the Panamanian police stationed in the border area to allow them to hide there and run their drug operations.

The guerrillas, according to reports in the possession of the Defense Ministry, tried to negotiate a "nonaggression pact" with the Panamanian police along the border, which explains the 48-hour summit conference held by Minister Pardo and other high-ranking military commanders with Panamanian Minister of Government and Justice Juan Bautista Chevalier and Oswaldo Fernandez, director of the police in that country.

The ultimate objective is to enable Colombian troops and the Panamanian police to step up their vigilance and crack down on the subversives, smugglers, and traffickers trying to get into Panama.

Drugs and Weapons

The agreement, however, is just a small part of an overall strategy aimed at combating the drug traffic.

Uraba has become a small universe of drug trafficking. Ingredients are smuggled into the region, and narcotics are produced, processed, and sold.

Moreover, intelligence reports in the possession of the Army indicate that the main port through which ingredients come in and drugs go out to other countries is Coredo, a hamlet located on the Pacific coast.

Police action on this front is supported by a company of drug enforcement agents and the Police Air Service, but officials in this region acknowledge that the Gulf of Uraba is too vast to allow effective control of drug trafficking.

The commander of the XI Brigade, Colonel Carlos Leongomez, told EL TIEMPO that "Uraba is attractive to all kinds of criminals, not only because of its wealth but also due to its strategic location."

This assertion is particularly telling, considering the upsurge in arms smuggling. The Army and the Navy are trying, though without the desired results so far, to control the flow of weapons and ammunition from Nicaragua and El Salvador to Colombian guerrillas.

The disarmament of the Central American guerrillas has augmented the supply of weapons and ammunition available to Colombian guerrillas and to some drug trafficking groups.

According to the police department, six people are being held by common criminals, but none of the kidnappings have been officially reported.

This silence, says the police commander, is the biggest problem the authorities face in fighting crime.

In view of this situation, the officials at the weekend meeting reached a preliminary agreement to expand naval forces in the region and seek genuine interinstitutional cooperation with the Attorney General's Office and the Administrative Department of Security (DAS) to devise a comprehensive strategy for Uraba.

Box, p 22A]

Immigrants: From Dreams to Crime

Uraba has the charm of those places that are seen as meccas of wealth. Thousands of people from all over the country arrive month after month, hoping for a bonanza that may never come their way.

Authorities estimate that the transient population amounts to more than 40,000 people. In addition, there is a high birth rate, which means that 60 percent of the population in the region is under the age of 18.

This situation has caused social problems such as unemployment, prostitution, and common crime.

Colonel Antonio Carrero, commander of the Uraba Police, says that homicide, blackmail, and extortion are commonly perpetrated by criminals who pretend to be guerrillas. In addition, there are armed robberies and cattle rustling.

Because of the populace's fear, crimes are not reported to the authorities in a timely manner, police say.

Furthermore, many of the vehicles stolen in the cities of Antioquia, the Atlantic coast region, and the southern Pacific coast region are brought to Uraba.

A week ago a police search operation in the region led to the seizure of a large number of stolen vehicles.

The police are aware that the lack of control has encouraged the thieves to sell the cars to Uraba residents, knowing full well that they are not likely to be caught.

[Box, p 22A]

Uraba in Figures

Population: 350,000

Geographic Distribution: Choco and Antioquia, 12 municipal jurisdictions and more than 100 *corregimiento* districts and villages.

Area: 1.23 million hectares, 40,000 of them consisting of banana plantations.

Police Presence: Police stations in 10 municipal jurisdictions and four *corregimiento* districts.

Forces: 600 police officers, none of whom are high school graduates.

Guerrillas: 750 guerrillas are operating in the area. Squad 34 of the FARC has 300 men, Squad Five has a similar number. The Caraballo Group has 130, and there is a small redoubt of the Socialist Renewal Current of the ELN.

Trade Unions and Population: The Union of Agricultural Workers (Sintrainagro) has some 20,000 members, and there are nearly 40,000 transients.

* Guerrilla Plans To Exploit Country's Wealth Viewed

93SM0401A Santa Fe de Bogota EL ESPECTADOR in Spanish 9 Aug 93 p 12A

[Article by Nelson Freddy Padilla C.: "The Guerrillas Have Started Their 'Economic Opening'"]

[Text] Santa Fe de Bogota—What the subversives are least interested in now is fighting. While their military apparatus was in a deceptive six-month lull, their ringleaders put together a plan for an "economic opening" that seeks to strengthen their finances by bleeding the Colombian economy dry.

This is the main conclusion that the Military Forces have reached after analyzing the immediate intentions of the National Guerrilla Coordinating Group (CNG) on the basis of documents, deserters, and costly intelligence work.

"These plans are alarming," a senior Defense Ministry official told EL ESPECTADOR in disclosing that the papers most recently seized from the guerrillas indicate that a grand plan based on the total coverage of the various sectors of the economy has been set in motion.

"The CNG has gone so far as to set a 400 billion peso budget for itself this year, on the basis of the Cusiana oil prospects (the total budget for the Military Forces in 1993 is 684 billion pesos), while relegating activities like kidnapping to secondary importance."

According to the investigation conducted by this newspaper, the ELN [Army of National Liberation] and the FARC [Revolutionary Armed Forces of Colombia] "rather than thinking about armed confrontations, split up into new fronts to reach all the economic centers and harness undeveloped resources."

As a first step it began forming the "Enrique Rodriguez Guerra" front, whose mission is to begin handing over earnings from coal production at El Cerrejon in La Guajira.

After concluding that "the monitoring of the processes of seismic recording and exploration in Cusiana was indispensable to channel efforts into that zone," it decided to set up the "Bolchevique del Libano" [Bolshevik of Lebanon] squad in the Tolima municipality of Ortega, where the government is currently exploring for oil, as it is in Yaguara, Huila.

According to the guerrillas, a decision was made, "as an antiracist and economically beneficial measure," to establish the "Benkos Bioho" front (the name is apparently indigenous) in the department of Choco; it is supposed to collect taxes from gold miners and sawmill operators.

In this case the guerrillas set the condition that "all of its members must be dark-skinned. It is not a good idea to have white members or leaders there, in order to prevent opposition. The makeup of the front will be decided on by the fronts that have been operating in northern Antioquia, especially in the gold-bearing region of Frontino." This job is being entrusted to the Jose Antonio Galan, Maria Cano, and fourth fronts of the FARC.

The ELN created the insurgent group "Comuneros del Sur" [commune members of the south] for the southern

part of the country. Its efforts will focus on monitoring oil production through the Trans-Andean Pipeline in Putumayo and Narino.

Cusiana and ABC

The coming oil boom thanks to the huge Casanare reserves is the cornerstone of what they call their "new economy."

In order to avoid wars like the one between the ELN and the FARC over the blackmail money from the Arauca oil fields, the CNG decided to send in bilateral commissions and to set up new financial fronts in the Eastern Plains.

The ELN has already activated the Jose David Suarez and the "Los Libertadores" [the liberators] cells, reinforcing them with another made up of "experts" brought in from Arauca who until recently belonged to the Domingo Lain and Efrain Pabon fronts and to the "Compania Cimacota" [Cimacota Company]. For their part, the FARC have given the go-ahead to the "Heroes del Cusiana" [heroes of the Cusiana] squad and another comprising activists from the 28th and 38th fronts.

Nevertheless, their main efforts will come under the so-called "ABC Project," which calls for ongoing actions in the departments of Arauca, Boyaca, and Casanare and which, according to the guerrillas, "will be the main supplier of resources."

The Military Forces have established that each of these criminal groups will have liaisons in Bogota. "We have already received the first reports about the blackmailing of Cusiana contractors in the country's capital," someone close to the investigation stated.

The recently created Juan Fernando Porras Martinez squad will be in charge of coordinating work in sectors such as ranching and farming, which are also very productive in those regions.

"Since the financing headquarters is going to be in that region, they are also seeking to create a corridor for movements to and from the Venezuelan border, since this will enable them to flee the Army when they need to and, once across the border, to get into weapons or drug trafficking," said a high-level investigative officer.

"Alternative Economy"

As a support for these activities the subversives will seek a new source of funding under an ELN plan known as the "alternative economy."

A document setting forth this plan says that "direct financing for all fronts is sought through self-managed projects, community stores, fishing, ranching, and industrial activity."

The document cites as initial successes the takeover of numerous estates and pieces of equipment in southern Cesar and Arauca, where they forced landowners who refused to make extortion payments to leave their lands. "Several micro-businesses are producing dividends," it adds.

A second phase calls for the infiltration of various state-run production groups, mentioning the Colombian Institute of Agrarian Reform, the Colombian Agricultural-Livestock Institute, the Institute for Development of Renewable Natural Resources, and the National Apprenticeship Service as possible sources of favorable treatment, especially in terms of development programs.

Security agencies stated that they have not detected any such cases but that they are already at work to prevent government funds from being siphoned off.

As for the FARC, they seek to be more aggressive in producing and trafficking drugs, for which reason they have given orders to start up a chemicals business.

The Army discovered that the 29th front of the FARC, for example, reached an agreement with drug traffickers in the western section of the country "to train pushers in Putumayo and the Cauca" in exchange for greater control over the coca and poppy crops, respectively.

Likewise, it reinforced operations in the Uraba region, where besides the fifth front, the so-called "Heroes de las bananeras" [heroes of the banana plantations] have gone into action.

Ongoing Revenues

Concurrently, the guerrillas are seeking to maintain the earnings that their presence in regions like Arauca and Cesar has provided them.

The ELN has demanded "a bigger contribution" from the Luis Carlos Cardenas Arbelaez front, which is working with drug traffickers in northern Valle del Cauca, so that it can make itself felt as "the original producer of poppy in that zone."

"Let us remind you that ours were the first poppy crops in 1984 in the Garrapatas River gorge," an order from the "staff" says.

It is calling for the same effort from the Jose Solano Sepulveda squad, which operates in the San Lucas Highlands in southern Bolivar and, according to security agencies, "at the discretion of the Medellin and coastal cartels."

This insurgent group feels that it is "fundamental" to increase the "war tax" in the coal region of La Jagua de Ibirico, Cesar, where "optimum results have not been achieved."

[Box, p 12A]

FARC Company Under Investigation

Eider Astaiza Alegria, who was charged with belonging to the finance commission of FARC's southeastern bloc, was captured in Popayan last 24February. He admitted

that the Cafe-Norte company, whose headquarters is in the capital of Cauca, was the property of the armed group. He also disclosed that its manager was Carlos Nino Ruiz Ordonez and that, with coffee pulping as a front, it handled almost two billion pesos of the subversives' money.

The company was searched and Nino was arrested on 18 March. According to Felipe Alberto Lopez, the coordinator of the Valle Regional Prosecutor's Office, which received the case under file number 4956, "Nino is facing charges of managing the funds of terrorists and of aiding kidnapping activities."

According to the preliminary investigations, two tractor-trailers and one car belonging to N.N., alias Pacho, the son of Jacobo Arenas and commander of the southwestern bloc of the FARC, were found there.

Documents were also seized, among them many handwritten letters sent by guerrilla ringleaders to the company requesting seven-figure payments. Some bear the signature of Bertulfo, the alias of the presumed chief of squad 30, and of Rafael Aguilera, the ringleader of the seventh front of the FARC, who was also captured.

Others are from Pacho himself, who is being investigated for opening seven-figure bank accounts in the name of third parties in Bogota, Cali, Buga, Tulua, Ibague, and Buenaventura. Pecho de Rata said that Nino gave him money regularly and, as an example, handed over a 315,000-peso Banco Popular check.

Other papers contain a list of names, ID cards, and signatures of close to 100 persons. Also found were receipts for telephone calls to various cities in Colombia and overseas, bank drafts, signed blank receipts, a computer, diskettes, checkbooks, fixed-term securities, accounting books, and some 6,000 sacks of coffee.

* De Greiff Faults Criminal Justice System

93SM0397A Santa Fe de Bogota EL TIEMPO in Spanish 6 Aug 93 p 13A

[Interview with Prosecutor General Gustavo de Greiff conducted in the Office of the Prosecutor General on 5 August]

[Text] The prosecutor general of the nation, Gustavo De Greiff, discussed the shortage of prosecutors, harshly criticized the current prison system, and condemned the constant tinkering with the codes.

At a press conference yesterday, attended by journalists from various organs of the media, De Greiff called for the immediate hiring of 477 deputy prosecutors to deal with the backlog of cases in his agency.

"We urgently need to increase the number of prosecuting attorneys, by at least a third. We also need more material resources to improve our laboratories and train our personnel," stated De Greiff.

He added that some employees of his agency have up to 500 files in their caseload. At present, the Prosecutor General's Office has 1,431 deputy prosecutors to handle approximately 300,000 cases.

According to De Greiff, the decree that was issued to prevent the release from jail of drug traffickers and terrorists established mandatory deadlines for filing charges in pending cases. As a result, he has instructed all of his employees to review their cases and file formal charges.

"The order is to proceed rapidly to examine all cases, and if the file is complete, charges should be filed; if anything is missing, obtain the necessary evidence and then file charges," he said.

[EL TIEMPO] The government issued a decree to prevent the release en masse of individuals accused of drug trafficking and terrorism. Is there any guarantee that this new decree will not be declared unconstitutional?

[De Greiff] We cannot be absolutely sure that a legal provision established by a person acting in a legislative capacity will not turn out to be flawed in some way.

From what we have seen of the t's ruling, I believe that the new decree takes care of the court's objections to Article 3 of Law 15, which it claimed rendered the law unconstitutional. But the court is sovereign in its jurisdiction, which means that it is up to that body to apply legal principles to determine whether a law is constitutional or unconstitutional. So we cannot guarantee that the decree does not have any flaws that would render it unconstitutional. We are keeping our fingers crossed in the hopes that this decree will not be declared unconstitutional.

[EL TIEMPO] Who should make law, the judiciary or the legislative branch?

[De Greiff] There are various schools of thought that can be classified in two major groups: one that holds that judges should strictly apply the law and not legislate; and another that holds that the Constitutional Court, in its role as guardian of the Constitution, can make law, and in a sense, legislate.

I belong to the first group, but of course I respect the opinions of those in the second group. There is no absolute truth here; I think that the best thing for democracy is to have a strict interpretation of the law.

[EL TIEMPO] Is the government following the right policy on crime?

[De Greiff] Nothing is perfect on this earth, much less in Colombia, where we are not serious or rigorous in our intellectual pursuits.

I believe that the Prosecutor General's Office was a great step forward in the battle against crime; it has raised hopes, and I hope that it goes beyond hope and becomes a reality.

But we need a more consistent criminal justice policy. I have said that it will not do society any good for the Prosecutor General's Office to put all accused criminals in jail and for the judges to confirm that they are indeed guilty if, in turn, there is no effective policy on jails and prisons. Because what we have now is a disgrace; no one comes out of jail rehabilitated.

[EL TIEMPO] Is the Prosecutor General's Office on the way to becoming just one more frustration for the country?

[De Greiff] I hope not. Let us be optimistic. Sometimes I am seized by a terrible pessimism, and I think we should throw in the towel, as the saying goes, but when an ordinary citizen tells me, "Dr. De Greiff, you are our hope, now I can be proud to be a Colombian again," I think it is worthwhile to turn to the justice system again. I get my spirits up again so that I can go back into battle, and that is what all Colombians must do. The worst thing, what we absolutely cannot afford, is to do nothing and allow ourselves to be defeated by pessimism.

[EL TIEMPO] Is the rumor about your resignation over the Constitutional Court's ruling an indication that you are being isolated?

[De Greiff] I would like to make the following clarification in that regard: I would never resign over a Constitutional Court decision or because I disagreed with a ruling, because my mission is not to agree or disagree with the court. My mission is to enforce the law, and the Constitutional Court's word is law.

In the United States they say that the decisions of the Supreme Court are the law of the land; so it would be disrespectful of me to say to that entity, I do not agree with your ruling so I am stepping down.

My position has always been that I am not here just to hold a job or to exert influence or to gain prestige. Thank goodness I do not have such ambitions; I am here to serve.

If any law or court decision or government policy were to take away the legal instruments or resources I need to do my job effectively, then I would resign.

When the Constitutional Court handed down its ruling, a tool was taken away from me. Thank goodness a solution was found, and I am confident that the court will not declare it unconstitutional. But if it does declare it unenforceable, that decision will be respected.

Now, as to whether I feel isolated, well, people have always talked about the loneliness of power, and it is true. Often you feel alone, but I cannot portray myself as a martyr. I hope all Colombians will join us in this struggle, because it is not just the Prosecutor General's Office that must do battle. When we fought against Mr. Escobar, for example, that was not a battle between Mr. Escobar and Dr. De Greiff; it was society's struggle against a person who tried to put himself above the law.

[EL TIEMPO] The new government decree sets deadlines for filing formal charges. What order was given to prosecuting attorneys?

[De Greiff] The order is to proceed rapidly to examine all cases, and if the file is complete, charges should be filed; if anything is missing, obtain the necessary evidence and then file charges.

[EL TIEMPO] Do you agree with any part of the Constitutional Court's ruling?

[De Greiff] I agree with the court about the inequity of the law that was in effect. You cannot have accusations hanging over a person's head indefinitely.

That law was justified at one time, but it brought with it a bad thing, and that was the fact that the prosecutor who was supposed to issue an arrest warrant for a suspect had no deadlines to observe. Since he was so overworked, he would file that case away because he already had the suspect in custody, and he would take up another case.

The good thing about the new decree issued by the government, and the good thing about the Constitutional Court's ruling, is that now there are deadlines for taking action. That will force prosecutors to go beyond just issuing arrest warrants and to continue investigating.

[EL TIEMPO] The fact that prosecutors now have to meet deadlines for filing formal charges may lead to many mistakes.

[De Greiff] There are risks, but there are always risks in any legal decision; that is why there are different stages in the proceedings.

[EL TIEMPO] What does the Prosecutor General's Office need in order to do a better job?

[De Greiff] We urgently need to increase the number of prosecuting attorneys, by at least a third. We also need more material resources to improve our laboratories and train our personnel.

It does society no good to have smart prosecutors if they do not have technical resources and investigators to help them solve crimes and track down criminals.

[EL TIEMPO] There is talk now of amending the Code of Criminal Procedure, which is less than two years old. Is that a good idea?

[De Greiff] There is always room for improvement in any law, but we Colombians have a reformist tendency that must be curbed a little.

In France, it takes many years and a lot of reflection to amend a code. They have to look at how jurisprudence has evolved and study the problems that judges have encountered over a long period of time.

Here we do not work that way: The moment we find a mistake in a law, we want to amend it. They say there will be a new bill to amend the Code of Criminal

Procedure in three months. Good Lord! Let us be serious, it takes longer than that to amend the code. It is precisely because they are done so quickly that the codes come out wrong.

[EL TIEMPO] Would you agree with the establishment of the death penalty?

[De Greiff] I think criminal investigations are so ineffective, so inefficient in Colombia that a lot of innocent people would probably die if we instituted the death penalty.

*** Human Rights Adviser Notes Gravity of Situation**

93SM0404A Cali EL PAIS in Spanish 26 Jul 93 p C12

[Interview with Carlos Vicente De Roux, Presidential Adviser on Human Rights, by Fabian Perez Martinez in Cali; date not given]

[Text] "The merchants of death have spread far and wide, and today in Colombia we could say that there has been a 'macabre democratization' of violence; it is no longer something unique to a particular sector, but a widespread phenomenon."

Thus, without mincing words, Presidential Human Rights Adviser Carlos Vicente De Roux acknowledges that Colombia faces a serious problem in this regard, and that the contempt for human life and the disappearances are on the increase.

In his view, human rights violations take many forms and are carried out by many types of people, but the worst thing is that "there is a widespread, very deeply-rooted culture of violence" in Colombia.

"There is violence by guerrillas, by organized crime, and even by ordinary citizens who kill to solve family or personal problems, traffic disputes, and other matters," he declared.

He expressed optimism about the future of the country, however, and stated that "there is still hope."

EL PAIS spoke with De Roux during his visit to Cali to witness the signing of the human rights defense agreement.

[Perez] Is the human rights situation very bleak in Colombia?

[De Roux] Yes. It is a complicated situation, characterized by many forms of violence, influenced by many social factors, perpetrated against the entire population.

There are more than 28,000 homicides each year, and that is very serious. It is a figure similar to that of the United States, yet we have a population nine times smaller. So this is quite discouraging. Furthermore, we rank third in the world in terms of the number of disappearances.

[Perez] You have mentioned on other occasions that 12 percent of the homicides were for political reasons. What kind of politics are you talking about?

[De Roux] Of those 28,000 deaths, perhaps 12 percent (the figure is difficult to pinpoint precisely) are due to political factors or are motivated by ideology or politics, because the victim belongs to a certain political group or social organization.

There are all kinds of violence: that of the guerrillas against alleged informants, violence against labor and social leaders, acts of violence committed by members of the military and law enforcement agencies of the state who disobey the rules governing their institutions and become involved in the murders of social and labor leaders. There is also a very complicated type of violence that we have been seeing, electoral political violence.

[Perez] Is that phenomenon still present in Colombia? Is that not a regression to several years ago?

[De Roux] The phenomenon is present. There are still political groups that kill their election opponents, even within their own parties. What is really terrifying is that they kill opponents within their own faction—the same faction in the same party—and that holds true in all groups.

It is not like before, because it is not Liberals versus Conservatives or vice-versa; now it is different... it is within the same party, even among people following the same leader. If a new leader emerges in a region, someone who is winning votes, his rivals kill him.

That is a very complicated phenomenon of political violence. So it is not a question of political violence being perpetrated solely by government agents against the left and the opposition.

[Perez] How do you feel about your brother's case?

[De Roux] It weighs heavily on me, because it is sad to see a person who was playing a very interesting role in establishing conditions for peaceful coexistence in Colombia, now having to leave the country.

And I have seen this situation repeated all across the country, time and again, you know? There are people who, if they do not have to leave the country, at least have to leave the area where they work.

[Perez] But where does this kind of pressure come from?

[De Roux] Look, the bad thing about Colombia is that this kind of threat comes from a wide variety of sources. My perception is that right now the serious problem we face is that the focus of the violence and the threats have become very dispersed. In other words, we Colombians have been carrying this habit of threatening and killing into all aspects of our lives.

So it is not a question of high-ranking officials ordering killings. The merchants of death have spread far and

wide... So election problems and political-electoral problems are solved with violence, as are labor problems, social protests, family squabbles, lover's quarrels, traffic disputes, etc.

The perpetrators of violence can be found in all walks of life, so in that sense, we can say that we are seeing a macabre democratization of violence.

[Perez] What problems do you face in your work?

[De Roux] Well, look. The difficulty can be divided into many orders of magnitude; perhaps one of the highest is the fact that in fighting human rights violations we are battling a very widespread and deeply-rooted culture of violence.

If we knew that the violators were just one type of person, for example, that they were law enforcement officers of a certain rank, then we could work with them to change their points of view. But that is not the problem in Colombia. Violence has many manifestations in Colombia, and when you try to counteract cultural factors, you are undertaking a task that will last several generations.

[Perez] But is there still hope for the country?

[De Roux] Yes, there is. Of course there is. This country has many resources, but the thing is, the violence got the jump on us. There are a lot of reserves; this country has vast reserves of initiative, creativity, enthusiasm, and solidarity, and that can be seen not only in the government, but also in the people, civil society, and even in the political parties.

There are people who are sensitive to these problems, who are willing to do something. The problem is, we did not wake up to it in time. But we still have time, there are still things we can do, very important ways to turn this situation around.

*** Gaviria Administration Circles of Power Viewed**

93SM0395A Santa Fe de Bogota EL ESPECTADOR in Spanish 1 Aug 93 p C1

[Text] There is not the slightest doubt that power has a special attraction for Colombians. That it produces the most diverse and opposing reactions is in even less doubt. And that one need not be very close to the authorities to be in power is an obvious truth. And that the dream of many Colombians has to do directly with power—why deny it?

The fact is that the history of national power is filled both with heroes and with villains: the power to do good; the power to do evil; the use and abuse of power.

Why do some people achieve power? Because "they are part of the group"; because "they belong to the Mafia"; because they have "worked hard for it"; because "they were trained"; or because, finally, the regime needs them. And why is it that others do not succeed in achieving power? Because "they are not clever enough"; because "they are worn out"; because "they have become disillusioned"; because "it is not of interest to them"; or because "power crushes, infects, creates a distance, hypnotizes, subjugates, bewitches."

The names synonymous with power in the Colombian history of this century include Alfonso Lopez Pumarejo, Eduardo Santos, and Alberto Lleras Camargo. And in recent history, Francisco Maturana, Pablo Escobar Gaviria, Alfonso Lopez Michelsen, Julio Mario Santodomingo, Jaime Bateman Cayon, Carlos Ardila Lulle, German Montoya, Ana Milena Munoz de Gaviria, and—why not—the young and attractive Miguel Silva.

This is the history of Cesar Gaviria Trujillo's power. It was not the power handed to him by Juan Manuel Galan on the sunny, but sad day when the remains of another man who could favor the sweetness of power—Luis Carlos Galan Sarmiento—were interred. It is, rather, the history of the Gaviria power circles, which in this instance, and in a way very different from that seen in the preceding term of office, move about in the grip of the power Cesar Gaviria Trujillo has represented since 1990.

Thus, then, there are circles that are closer or farther from the regime, in a reflection of the degree of influence enjoyed within the government. This clarification is worth noting. One is not closer to real power, for example, simply because of a ministerial post (see the chart for 1993, and compare it with the current cabinet). It is indeed widely recognized that, also by way of example, Rafael Pardo is a more influential individual in the Gaviria government than is Miguel Antonio Gomez Padilla, the director of the police.

Fabio Villegas, a delegate minister with presidential functions, has assured this newspaper that he knows of "no circle of power. The president has a very close relationship with all of the ministers.... It would be unjust to speak of exclusive information," he argued. One circle—no—but there are several circles (which, according to another individual who has the confidence of the president, should be viewed and analyzed in a linear and not a circular fashion, because there is no end to a circle) with different missions.

In order to understand why some are closer than others to Cesar Gaviria, or why the members of the circles closest to the president vary, one must consider not only closeness, or those who are close, to be more precise, but the various government cycles, as well. And these cycles, in a very typical Gaviria fashion, are thematically and individually defined. For example, the constitutional cycle is associated with Manuel Jose Cepeda; the economic openness cycle with Cesar Gaviria, Rudolf Hommes, and Armando Montenegro; and the cathedral cycle with Fernando Carrillo and Eduardo Mendoza.

And these cycles do not intersect. They are defined, they are developed, and they come to an end. First there is the constituent cycle, then that pertaining to the policy of responsibility to the court system, then that dealing with economic openness, and fourth, that concerned with the

Cathedral episode. And in the middle there is peace, security, social policy, and all of the events characteristic of a Third World government.

The Chosen Ones

Following this line of thinking, and to be consistent with the Gaviria government, one must deal first of all with the closest circle. As of today, 1 August 1993, Secretary General Miguel Silva is 26 steps away from the president. Gabriel Silva, the future ambassador to the United States and former foreign relations adviser, is 98 steps away. Fabio Villegas, formerly secretary general and nowadays a cabinet minister, is at a distance equivalent to two blocks, 103 paces and 43 stairsteps. The same is true of Rudolf Hommes, the both hated and beloved minister of finance. And to complete the circle of the intimates, there is Rafael Pardo, who according to a friend is "closer to the Eldorado Airport" than to Cesar Gaviria.

But the facts indicate the contrary—revealing the rise of Pardo in this power scheme (compare the two tables [tables not reproduced]) and that of the most faithful of his friends in government, Ricardo Santamaria.

Why then do some individuals rise and move close to power? Because there are those who, with the passage of time, acquire more power, take on more responsibilities. Such is the case with Ricardo Santamaria. Or because, like Ricardo Avila, who is now a private secretary, they possess a series of qualifications—the right profession, reliability, or the way they know how "to do the laundry and the ironing," in the words of a man who enjoys the confidence of the palace. And, finally, there are those who achieve a position in one of the circles of power "because their political status requires it."

Now then, in the opinion of some individuals, the weightiest factor in Santamaria's case is the importance of Rafael Pardo. It is a fact that Santamaria has worked with him since 1986 (furthermore, they are graduates of the same secondary school and the same university), when Pardo was affiliated with the National Rehabilitation Plan, and at that time enjoyed a key position with the peace adviser, Carlos Ossa Escobar. In addition, Santamaria worked with President Gaviria in Virgilio Barco's cabinet, when the man who is chief executive today was serving as minister of government. But there is something more. Santamaria's responsibilities have been increasing. With the change of direction that occurred in the Security Council, its members became more technically oriented, and thus Santamaria moved closer to the president's heartfelt interests. Today he is in charge of two groups of advisers (that on defense and security, and that on peace), and this situation entails greater responsibilities for him. And there is a third element. Santamaria, together with Pardo, is a leader in the national strategy against violence and a pillar of the government in the public-order sector. He has, in a way, followed the natural development for that scene—moving from peace to security. And the word security is synonymous with Santamaria. To conclude this chapter for the time being, a fourth element, fully demonstrated last 20 July, is worth mentioning. The focus in strategy today has more to do with the citizen, with the safety of the citizen. And the implementation of the plan, which merited attention in the address that opened the door to the final stage of this government regime, fell to Santamaria himself.

The Road to Hell

And why is it that others fall? The positions of power are exhausting, and no one would disagree on this point. Particularly when things do not go as had been hoped.

The most pathetic case is seen in the well-known fate of Mauricio Vargas Linares, who until the moment of his descent into hell was minister of communications. Vargas, who enjoyed the delights of power as an adviser on communications, explains what happened. "My profession (journalism), in which connection to politics is accidental, rather than essential, makes it impossible for me to remain in any circle. However, I believe I might have done so if I had opted for politics," he says.

But the political factor does not seem to be the basic reason for remaining in a circle, nor does holding a titular post, particularly if one observes the history of those in the closest circle. Instead, as one of those we interviewed put it crudely, "Here one must hang on; one must achieve each step forward for oneself."

Vargas, for his part, does not see himself today as consigned to hell. "Not at all," he says. "Thanks to Cesar Gaviria, I was an adviser at 29, a minister at 30, and a former minister at 31. I will never cease to be grateful."

This attitude seems to be confirmed by another adviser who does not see it as fair to put all those consigned to hell in the same category. In other words, to cite an example, no one doubts that Alfonso Lopez Caballero and the agrarian policy are in hell. But there are indeed others who do not necessarily, simply because they have left the government, find themselves in debt to it, or to the development of certain parameters. There are those who continue to be among the president's intimates. Which proves, moreover, that if there is indeed a circle of friendship (apparently external), it is not always synonymous with the government circle of power. As Vargas explains it, "The only way I could maintain at a distance was not to remain in any circle." Which proves that there is a circle of those who do "remain loyal to the president."

From another point of view, a circle of purgatory could be found along the path to hell. It is a purgatory characterized in this case by the seal of the relationship "of respect" among friends that is never broken. Fernando Carrillo, Eduardo Mendoza, and Mauricio Vargas are members of this circle—one that, it might be said in passing, is closer in the public view to hell than to purgatory. To this circle—the friendship circle—one would have to add Dario Restrepo, who is at present the editor of the periodical CAMBIO 16.

The Blessings of Paradise

But closeness, and the danger of making contact with certain definitely prohibited nerves, does not stop there. Intimacy, as these three years of the Gaviria government demonstrate, does not simply mean enjoying confidence for the purposes of listening and discussion, but confidence for achieving, as well. It means closeness for the purpose of carrying out a mission, for results, as Gaviria would term it.

And in this connection, the champion, or at least the workhorse, seems to be Fabio Villegas. According to sources this newspaper has consulted, he is a quiet worker, very popular in his dealings with the members of Congress, and almost as intuitive "as the president himself," with whom he has worked for many years on regional and political matters. Numerous individuals also recognize that he exerts an influence in the administration of public order.

But the king of the palace in the public-order sector is Rafael Pardo, "entirely a gentleman," and not a representative of the military in the civilian government, but rather an individual capable of seeing situations from the various angles, of creating, of thinking independently. Described as cool, objective, and cautious (terribly cautious, in the view of journalists), and the least emotional individual in the group, Pardo is also someone on whom the president relies in other sectors. These sectors include politics, among others, and very frequently at that. A mixture of owl and fox, according to a close associate, he is to security and military issues what Gabriel Silva is to foreign relations.

And this is the best-known characteristic of the future ambassador to the United States, who is yet another member of the group with excellent academic training. Studious, analytical, and reserved (another singular characteristic of the group), Silva, like Santamaria and Pardo, has known the president for a long time. Cautious, silent, an excellent writer, and a principled man, this individual is familiar with the "Operations Manual for Routine Landings."

What is characteristic, then, of the president's intimates is their management of their respective sectors, with defined responsibilities in specific areas and an understanding of them. It is no accident, then, that Rudolf Hommes has risen to the position he now occupies. In the view of Gaviria, Hommes, "who is even pedantic on economic issues," is a man with whom he can discuss a subject when someone who enjoys his full confidence is needed. Like the majority of the citizens of Colombia, Gaviria recognizes this man as one respected in his particular sector. With one additional ingredient—he has transformed the president's convictions into concrete policies...and achieved results. Gaviria has such confidence in his ideological model that it enables him to know when a decision adopted was not the best one. With regard to Hommes, the principle is that the man who has knowledge is the man who gives the orders. And if this is not the case, let Armando Montenegro, the head of planning, say so (see tables [tables not reproduced]).

No sector—politics, public order, foreign relations, or the economy—could function in the palace unassisted. Particularly if we bear in mind the fact that in the majority of cases, their representatives do not shine in terms of communication skills. Miguel Silva, who is the closest to Gaviria, completes this circle of the intimates. In a way, he has been the shadow president. It is he who talks with the ministers, with the economic groups, in the final analysis, and does so with the authority of his well-chosen and measured words. With a background in the media, Silva is famous for keeping himself well-informed. Also, he has a friendship with the family of the president that, although it is recent, is very personal. For a cold and pragmatic individual like Cesar Gaviria, Miguel Silva seems to be the ideal complement. One of his comrades in the venture describes him as "the heart of the palace," a description that the man who is the embodiment of the power of poetry will certainly find enchanting.

From the presidential point of view, then, intimacy in the power circles has to do with youth, discretion, friendship, and knowledge. And with something else—a "strong temperament," in the exact words of an individual close to Gaviria.

The Apprentice in Puppetry

In this way, over a period of three years, the president, operating like a puppeteer (responsible for the strings, the gestures, the movements, the theme, and the plot of a play), has tugged and relaxed the strands of the story in his little theater consistent with the situations he himself has created. "Measure the individual, seek him out for service, and give him an assignment." The scene in the little theater sometimes ends as he wishes, "with promotions," in the words of one of his closes collaborators, or sometimes with dismissals. Thus, for example, Luis Fernando Jaramillo went from the electoral campaign to a government appointment, and then to the United Nations in New York. Manuel Jose Cepeda moved forward during the constitutional operations, and nowadays is the Colombian ambassador to UNESCO [United Nations Educational, Scientific, and Cultural Organization]. And Juan Camilo Restrepo is facing up to the energy crisis, and is moving away precisely at the time when the lights on the national scene are going up again.

Analysts in the various media with whom this newspaper has talked explain the situation as follows. "The president listens to those who have something to say to him. He knows whom to approach, but he does not let anyone get too close to him. He has his favorites, and he listens to and manages people. On other occasions, he seeks them out, puts them in place, and puts out the fire."

In all, 60 men and four women have paraded through these 14 circles of internal power, which have existed for three years as of this week. It is power to do good, power

to do evil, power well-managed, leading to more power, power badly managed, inevitably sending us down the path toward hell.

Successful power, when success is interpreted to mean remaining in power, leads to desiring more power. Which of these individuals will return to the palace? Which will occupy an even higher position? Among the men who enjoy Gaviria's confidence, there appears to be one with the mark of a statesman. Who is it? Let Vargas determine that. Or better still, let Cesar Gaviria determine it.

*** Funding Approved To Cover 'War Bond' Gap**

93SM0396A Santa Fe de Bogota EL TIEMPO in Spanish 5 Aug 93 p 7C

[Unattributed article: "64 Billion Pesos for Defense and Justice"]

[Text] The government has approved a budgetary supplement of 64.242 billion pesos to cover the deficit created in the finances of the Defense and Justice Ministries by the court ruling declaring the collection of revenue from war bonds illegal.

Internal Disturbance Decree 1497, issued Tuesday night, provides for the strengthening of these sectors in the face of the escalation of terrorist and subversive action.

This supplementary funding is aimed at adding impetus to the action of the judiciary institutions in their duties of investigating, indicting, and sentencing criminals, as well as the protection of officials of the judiciary, investigative bodies, and witnesses.

The operational funding of the police will also be increased, enabling it to recruit additional personnel.

Yesterday, Defense Ministry sources informed us that as soon as the transfer of funds is approved by the Finance Ministry and by the Department of National Planning, portions of funds will be unfrozen for allotment to the operational sector (procurement of weapons, and specialized training and recruiting of personnel).

Decree 1497, signed by the Ministers of Government, Foreign Affairs, and Justice, seeks to bridge the revenue gap created by the decision of the Constitutional Court that declared Articles 16, 17, and 18 of 1992 Law 6 (Tax Reform Law) unenforceable.

According to the court, the collection of proceeds from the placement of Development and Internal Security Bonds [BDSI] in fact created a new tax of a retroactive nature that is contrary to the Constitution.

War Bonds

One of the fundamental aims of the war bonds was to provide government support to the fight against organized crime, including drug trafficking, insurgency, and terrorism. And for this reason, almost 40 percent of the 207 billion pesos that the court ordered the government to pay back was earmarked for national security.

The new Internal Disturbance Decree, issued on Tuesday night, provides for the redistribution of proceeds from increased Defense Ministry and National Police revenues, the tax surplus obtained in 1992, and other sectors.

From the 1992 tax surplus, 39,849 million pesos will be earmarked for the mentioned sectors; and from the National Defense and National Police funds, approximately 12 billion pesos will be redistributed.

From the Superintendency of Notarial Records and Registry, 4.226 billion pesos will be rechanneled.

For next year, the operational funding of the Armed Forces and of the Judiciary will be further increased by the over 1 billion pesos planned to be provided under the 1994 budget bill.

One of the programs calls for increasing the pay of policemen, soldiers, and Justice Department officials. Pay increases exceeding 50 percent are planned for them.

In the 1994 budget, 762 billion pesos will be earmarked for the Defense Ministry. From these funds, 68 million pesos will be set aside for the repair, maintenance, and supplying of military equipment.

In addition, 20 million will be set aside for the purchase of pieces of land and the providing of quarters and other installations. Another portion amounting to 370 billion pesos will be allocated to personal services.

And for the National Police, the budget bill includes a global sum of 567 billion pesos, 5 billion of which will be earmarked for equipment supply.

*** Official Unemployment Statistics Disputed**

93SM0415A Santa Fe de Bogota EL ESPECTADOR in Spanish 1 Aug 93 p B1

[Eduardo Sarmiento Palacio Commentary: "Obscurantist Employment Figures"]

[Text] In the past few days, criticism of the economic policy by business leaders has intensified. A number of sectors have announced dismissals of personnel, and some enterprises are seeing a rapid decline in their balances. Also, the most recent public opinion surveys and indicators show that there was definite stagnation in agriculture and industry in the first half of the year. The government, in turn, has proceeded to introduce various covertly protective mechanisms to prevent imports from coming in.

These manifestations are in contrast with the employment figures. The DANE [National Administrative Department of Statistics] and the minister of finance have announced a decline in unemployment of two percentage points in comparison with June of last year, and one point in comparison with December. This has raised serious doubts about the real harm being done by

the more open approach and the extensive dismissals resulting from the modernization of the state.

The partial presentation of figures conceals the most important and serious aspect involved. Unfortunately, it has become traditional to release unemployment figures without a clear indication of the rate of participation (the percentage of the labor force seeking employment). Such a presentation creates the false impression that the reduction in unemployment is matched by a parallel increase in employment. The confusion worsens when the Ministry of Finance issues statements attributing the results observed to the expansion of public expenditures and construction.

The more detailed figures reveal something very different. The reduction in the unemployment rate is due entirely to a decline in the rate of participation, which is really an indicator of the deterioration of the labor market. Apparently, after fruitless efforts to find jobs, people abandon the search. This is illustrated by the DANE figures shown in the table but not included in the official report. It is noted there that the number of persons employed declined by 43,000 between December of 1992 and June of 1993.

Urban Employment in Seven Large Cities (in millions of individuals)

	1991	1992	1993
March	4.532	4.699	4.671
June	4.590	4.634	4.707
September	4.610	4.618	—
December	4.686	4.750	—

Source: National Administrative Department of Statistics

This is a normal result. What else could be expected? The more open approach in the trade and foreign-exchange sectors has had a negative effect on exports and has encouraged the massive import of goods. These imports have rendered some activities with a high value-added component unnecessary, and have caused the transformation of some activities of a certain complexity into assembly processes. Dynamism in the economy originates with purchase and sale activities. Perhaps the only source of jobs at the present time is construction, a sector that cannot, of course, absorb the entire labor force. The employment figures merely reflect this reality. Since the early months of 1992, when the full effect of the more open approach was seen, there has been a systematic decline in employment that reached crisis level in the most recent half of the year.

The truth is that, in the face of economic setbacks, the minister of finance is looking for figures that will demonstrate successes. Any available situational indicator is used to report a victory for an economic policy that falling apart. The figures are not being interpreted in the light of the trends observed, nor is their economic consistency being analyzed. There is no reason to expect that the more open approach will contribute to improving labor conditions. The most basic analyses reveal that such an approach leads to cheaper prices for imported products in exchange for market and domestic job displacement. This is also borne out, moreover, by the experience of the countries that have adopted the neoliberal model in radical form. Its introduction in Chile and New Zealand has meant monumental costs for the job sector.

Under the current circumstances, there is no real room to maneuver. After all the fanfare, the development plan does not give priority to any sector, leaving the productive structure and employment to be determined by market incentives. Based on a debatable interpretation of the Constitution, the Bank of the Republic has committed itself to a policy of reducing inflation at any cost. Fiscal policy, for its part, lacks the capacity to compensate those who are losers as a result of the neoliberal model, or to accommodate those who have been dismissed, without causing another kind of difficulty. In the final analysis, employment is playing a residual role within the guidelines of the dominant economic policy. The correction of the employment trends is governed by an almost antagonistic economic policy. In fact, there is a need for a new concept that gives priority to industry, agriculture, and investment.

* Coffee Crisis: Lessons Learned, Accord Reached

93SM0380A Santa Fe de Bogota SEMANA in Spanish 13 Jul 93 pp 44-50

[Text] Last week the Latin American coffee growing countries reached an agreement that would have seemed impossible a few months earlier. In despair because of the crisis of the coffee industry and threatened by low coffee prices, they came to the conclusion that their only option was to join forces. To escape the crisis they decided to adopt a new plan, by means of which the Colombian, Brazilian, and Central American coffee growers commit themselves to withhold 20 percent of their coffee exports during the 1993-94 coffee growing year.

The crisis appeared to be lasting a long time. Following the collapse of the International Coffee Agreement in 1989, the market had fallen with no end in sight. The supply reached higher levels than ever before—due to the expiration of coffee quotas and the ease in shipping coffee—and consumers accumulated gigantic inventories.

The two phenomena resulted in greater quantities of coffee available in the market, and prices fell from a dollar a pound to 47 cents by September 1992, the lowest price in coffee history. Since then, recuperation has been very modest, with price fluctuations ranging from 50 to 65 cents per pound.

The problem of supply has been improving because of the condition of the market itself. World coffee consumption is on the order of 92 million bags per year, 20

million of which are consumed in the producing countries. This means that real consumption in the nonproducing countries is 70 to 72 million bags per year. During the 1993-94 coffee growing season, world production will reach 85 million bags, which when adjusted by the 20 million bags consumed internally, leaves only some 65 million bags for the export market. This represents a deficit of at least 6 million bags.

The problem of inventories, on the other hand, is much more complex. And it is, without doubt, and according to several New York brokers interviewed by SEMANA, the factor that affects coffee prices most unfavorably. Inventory levels held by consumers, which are usually around 10 million bags, equal to three months of supply, have now reached some 20 million bags, half of which are in the United States. This country represents basically one-third of the world coffee market and as of today has 50 percent of the inventory and 60 percent of the stock surpluses.

What is worse, this coffee is concentrated in the hands of the importers and not the toasters—in particular, importers who work as market brokers. In general, during their dealings these brokers have a financial adviser in their operations or close to them. Or they have easy access to credit. Because of this they handle important amounts of liquidity and with these resources they look for the most favorable moment to buy high quality coffee. If the toasters are interested, the brokers sell their coffee to them. If not, they resell it in the market. In any case, their behavior is determined more by the desire to speculate, in the best sense of the word, than the needs of the market.

At the end of the first quarter of 1993, the New York market had more than 6.5 million bags, which is highly unusual. Of these, 2 million bags were Colombian coffee. Never before had such a large amount of Colombian coffee been registered in the New York market since, in line with policies established by the authorities and in effect for at least 30 years, private exporters from Colombia could only sell coffee destined for toasters who had signed an agreement with the National Federation of Coffee Growers.

A Change in the Rules

What happened was that once the quota agreement expired, the rules of the game changed considerably. Above all, due to the fact that in the four years that had gone by since the liberalizing of the market, Colombian coffee production increased notably, more than in any other coffee producing country, to the point that it reached 18 million bags during the 1992-93 coffee growing year.

Pressured by this increased production, by critics of the International Coffee Agreement, and by the private exporters themselves, the federation agreed that at least 15 percent of coffee exports could be exported freely. The result was not only that no coffee was sold to new toasters but that certified inventories in the New York market increased excessively. In the words of a market trader interviewed by Colombia, "Colombia has sent so much coffee into the market that the importers are drowning in Colombian coffee. There is a surplus of 2 million bags in the United States. And those 2 million bags might stay on the market for a long time."

The secretary of commercial policy of the Brazilian Ministry of Industry and Commerce, Celsius Lodder, interviewed by SEMANA in Brasilia, in what could be interpreted as an allusion to Colombia's commercial aggressiveness, said that "the international market is out of order. The foundations are unbalanced. Some countries want to fill other markets. The Brazilians are not complaining and have remained neutral, but those countries that aggressively pursue the opening of new markets should be aware of the risks they run if they follow those policies."

The truth is that two serious problems emerged as a result of the accumulation of inventories in the market. The first was that if an attempt was made to improve the market price by raising the price of the supply, the market responded by falling back on the inventory available in New York. As a result, the seller ended by backing down in order to sell his product. In other words, the surplus inventories became strong competition for products being sold by the producing countries.

The second, that when prices began to go up in the market for any reason, the importers took advantage of the opportunity to sell large amounts and realize market profits. The coffee changed hands, but it did not necessarily wind up in the hands of a toaster. What this did was to create supply in the market itself, which was buying, and, as a result, served as a counterweight to rising prices.

In sum, the coffee market went from being a seller's market to being a buyer's market. And, under pressure from the crisis, the producing countries understood that the only way to reach a new equilibrium in the market—and thereby improve prices—was to find a way to control available quantities of coffee and to force a decline in inventories in the market.

Lessons of the Crisis

But this was not the only lesson taught by the fall in prices. On the contrary, the coffee growers learned many lessons. Internationally, perhaps the most important was that the International Coffee Agreement was built on unrealistic foundations. The retentions did not correspond to the needs of the market nor to the different types of coffee used by the consumers. These retentions, observers now recognize, should have been formulated selectively, as a function of the demand for each variety. Also, prices were set too high, eventually stimulating excess production, which generated a surplus supply that determined the destabilization of the market structure.

According to George Boecklin, president of the National Coffee Association of the United States, which includes

the principal toasters of that country, "Everyone recognized that the old system did not work, especially with the opening of Eastern Europe in sight. The only way it could work was by establishing a universal quota, which would have a serious problem of implementation, since the burden of discipline fell on the producing countries."

Several lessons were also learned on the domestic level. First, those four years of free market served to put to rest a series of myths that were dogma in Colombia. The first dealt with Colombia's inability to export more than a million bags of coffee per month, for a total of 12 million bags a year. Neither the deficiencies of the port system, nor the unavailability of transport, nor any other factor prevented Colombia from exporting almost 15 million bags in 1992.

But this is perhaps the only argument in favor of those who always defend the virtues of the free market. Because if the crisis of the international coffee economy demonstrated anything, it was that the coffee market is so complex and so enormously volatile, that it can barely function without some type of control. And that the problem of the coffee business does not come down to "sending some peasant travelling salesmen out into the world."

Today, even "outsiders" acknowledge the merits of benign intervention, abroad as well as domestically. Because the truth is that the countries that weathered the crisis best were precisely those who retained their control mechanisms. The president of the National Coffee Council of Brazil, Manoel Bertone, told SEMANA that "Colombia was the country that gave the most support to its growers. Coffeegrowing in Colombia would be impossible without that extremely efficient administration. The federation is indispensable to Colombian coffeegrowing."

It was also demonstrated that the 30-year practice of selling Colombian coffee only to toasters who had an agreement with the federation was not only sound, but that it should continue. Relaxing that practice did not create additional buyers of Colombian coffee; instead, it inundated the international coffee market, with very bad consequences.

The argument that the good quality of Colombian coffee commands better prices was also placed in doubt. There is of course a premium for Colombian coffee that is reflected in the price differentials in the international markets. But we are talking about five cents (U.S.) per pound. And furthermore, the bulk of Colombian coffee sold to the major toasters is destined to be added to the mixtures of different coffees with which each toaster works. The publicity about Colombian coffee served to maximize the price differential between Colombian coffee and others. But in the final analysis, the toasters can always alter the mixture if the differential becomes too great.

Another lesson of the crisis is that, in order to have access to developments in the so-called "gourmet coffees"—that represent less than 10 percent of the total market, but for which substantially higher prices are paid—it is not enough to have something as generic as Colombian coffee. Starting with the standard quality level of Colombian coffee, it will be necessary to begin to introduce differentiations by zones, regions, and even by plantations, in order to exploit the element of snobbishness that is implicit in the consumption of those coffees.

The Producers' Agreement

But perhaps the most important lesson was the conclusion that, without an agreement between producers, it would be difficult to accomplish very much. The depth of the crisis finally made possible an agreement between Brazil, Colombia, and the Central American countries, except for Mexico, to try to rationalize the coffee market.

The process began with the declaration of Pereira, at the beginning of June. It continued with a meeting in Managua, Nicaragua, during the last week in June, where the Central American countries reached agreement. They agreed to implement a plan for coffee retention equal to 15 percent of the exportable production of each country and to meet again in San Salvador to discuss the creation of a confederation of coffeegrowing countries.

These two meetings did not have much impact on the market and, on the contrary, merchants and importers in the consuming countries regarded very skeptically the possibility of a final agreement that included Brazil and Colombia. But this is exactly what happened in San Salvador. And the undertaking went further than expected, since it established a retention equal to 20 percent of exports for the coffee year 1993-94, which begins on 1 October. International auditing procedures were agreed upon to ensure that the agreement would be observed.

There was also agreement on the creation of the International Association of Coffee Producing Countries, whose objectives will be to defend coffee prices on the international market, to promote coffee consumption around the world, and to reach a balance between supply and demand in order to obtain remunerative prices for producers and the improvement of coffee quality.

The great doubts that existed over the document of San Salvador are related to the reaction of the market, to the attitude of nonmember countries, and to the position of the United States. The first is clearing up more rapidly than expected, since coffee prices have reacted positively since last week. The merchants seem to be getting the message that the producers have the right and the duty to unite to be able to deal with the oligopoly made up of the major toasting and marketing companies.

The second doubt seems not to have had much basis, since the crisis is so severe that the African countries and Indonesia have shown interest in joining the producers' organization.

The question that remains has to do with the reaction of the Clinton administration to the plan's eventual success. This administration seeks negotiated solutions, and if it begins to see the agreement as a kind of cartel, the United States Government might react and try to put an end to it.

As for the producers, their motives seem sincere. The crisis was too much, and although the consolidation of an association of producers is a difficult road to hoe, it is very likely that the road will be travelled. The vice president of Costa Rica and the person most responsible for that country's coffee policy, Arnoldo Lopez, firmly believes that the agreement is viable, and says that "Costa Rica has all of the instruments necessary to carry out the plan for retentions, which has the support of 100 percent of the trade associations."

Only time will tell, but last week's start already portends favorable results. Nevertheless, a great deal of effort and sacrifice will be necessary in order to achieve success.

[Box, p 47]

Defeating Skepticism

Before the signing of the Document of San Salvador, which establishes mechanisms for the retention of 20 percent of the coffee produced by Colombia, Brazil, and the Central American countries, except for Mexico, and proposes the immediate creation of an International Association of Coffee Producers, the market was very skeptical about the possibility of reaching an agreement that would reduce the supply of coffee and stabilize prices.

Skepticism was great especially among the marketers and toasters who believed that it would be very difficult to end the lack of discipline that had characterized the market since the elimination of the economic clauses in the quota agreement. This was especially true due to the dismantling of the market intervention mechanisms that had occurred in the producing countries.

In statements to SEMANA a few days before the agreement, Albert Darboven, one of the owners of J.J. Darboven, the fourth largest toaster in Germany, and Michael Neumann, president of Neumann Kaffee Gruppe, the largest marketer in Germany and probably in the world, were in agreement in saying that the short-term solution to the market's problems had to come from the producers, but they had doubts about their ability to organize themselves.

The doubts seemed reasonable. A careful look at the coffee map showed in effect that, as in a game of dominoes, the intervention mechanisms that regulated the marketing of coffee in an important number of producing countries had collapsed in recent years, with the exception of Costa Rica and the Ivory Coast, giving rise to market freedom that prevented control of the coffee supply.

The list of agencies that have disappeared is long. It began with the Brazilian Coffee Institute at the beginning of 1990. That was followed by the Mexican Coffee Institute and by the majority of the African regulatory agencies, which disappeared or lost their monopoly in the market, such as the Institute of Angolan Coffee, the National Marketing Office for Basic Products of Cameroon, the Madagascar Stabilization Fund, the Office of Coffee Marketing of Uganda, and the Ethiopian Coffee Marketing Corporation.

According to Arturo Medina, Angola's delegate to the International Coffee Organization and leader of the group of African countries, the dismantling of intervention mechanisms, which he attributed to the open-market policies promoted by the World Bank, is one of the worst results of the crisis and has only served to aggravate the problem. "With strong coffee organizations such as existed before, it would have been easier to reach an agreement," he told SEMANA.

Unlike the toasters and the marketers, Medina nevertheless was confident that a formula to stabilize the market would be found. And he was certain that the African countries would be prepared to join the Latin American producers in an agreement on retentions. Whether they do or not will be decided during the second week in August, in a meeting with Brazilian Minister Andrade Vieira, to be held in the Ivory Coast. But since many African countries still live from coffee, it is unlikely that they have any alternative.

[Box, p 49]

Was There Any Other Way?

Whenever international coffee prices are dropping—and this time they have been dropping more than ever—the question arises of why a country like Colombia, that produces such good coffee, does not toast its own beans? The argument is that since the price to the consumer does not fall as much as the price of the green bean, the toasters obtain additional earnings that could well go to the country, if it were in the toasting business.

The problem is more complicated than it seems, however. And although some people, such as Americo Sato, director of the Toasting Industry Association of Brazil, think that it is still possible to open up new markets, SEMANA studied the entire process and found that there are at least four factors that make it unattractive for a country like Colombia to think about setting up its own toasting industry.

The first and perhaps the least important is that, despite the good reputation that Colombian coffee enjoys in certain sectors of the market, the mixture is a fundamental factor in the toasting process. This is not so much because of the flavor of the final product but as a factor of profitability.

The second factor is that the value added in toasting is extremely small. Toasters are generally companies that

use very little manpower. Almost the entire toasting process of J.J. Darboven, the fourth largest toaster in Germany, is done from the control panel shown in the adjoining photo [photo not reproduced].

The third factor is that toasted coffee is a product that requires a lot of attention because its flavor is very perishable. And the cost of processing required to obviate that problem can exceed the value added in the toasting process itself.

The fourth factor is that the coffee market is extremely concentrated. The three principal toasters in the world control 70 percent of the market. And, therefore, the possibility of reaching a supermarket shelf in a consumer country is rather small.

In fact, the name toaster used to describe these companies is a misnomer. Because more than that, they are distributing companies whose principal function is to create trademarks by means of million-dollar investments in advertising.

Their control of the market is such that all the analysts agreed in stating that the only way to enter the market is to buy a trademark. In other words, to buy a portion of those companies to sell one's own product.

But to get an idea of what this means, think that the market value of Phillip Morris is around $57 billion, that of Proctor and Gamble $35 billion, and Nestle close to $23 billion (and coffee represents only 5 to 10 percent of their sales).

The option, therefore, is not as clear as it seems; although this does not mean that one should not consider small plants for the regional or domestic market. But the world market seems rather far off.

[Box, p 50]

The Opinion of the Buyers

Michael R. Neumann is the president of Neumann Kaffee Gruppe, the most important coffee marketing firm in Germany, and probably the world. With a group of companies operating in 21 countries, it is estimated that Neumann can move between 10 and 12 million bags of coffee annually. That is, one-sixth of the world's annual exportable production.

There are few opinions, therefore, as authoritative as Neumann's, in gaining an idea of what is happening in the world of coffee. For that reason, SEMANA interviewed him a few days before the signing of the producers' agreement in San Salvador.

In the first place, according to Neumann, the problem of low prices is not only a problem for the producers, as people believe. The decline in earnings has caused such a great drop in the quality of the product that the entire market is being affected by the crisis.

Nevertheless, he believes that it will be difficult to revitalize the Coffee Agreement, and, therefore, thinks that the producers have the right to protect their interests.

And although in principle he is a skeptic with regard to the results, as explained in another box, the previous week made it obvious that he looked favorably upon the agreement by the Latin American countries.

In Neumann's opinion, the problem of the market, from the consumer's viewpoint, is in the stocks accumulated on the New York market. "Neither Europe nor the Far East have excess inventories in comparison with what the levels were at the time of the OIC [International Coffee Organization], and the market does not toast coffee."

From the producer's point of view, he says that the problem comes down to the surpluses in Brazil and Colombia. And, therefore, he believes it is fundamental that the two countries commit themselves to freezing their inventories.

If that happens, and given the fact that the exportable production is less than consumption, the market could reach equilibrium relatively soon.

Neumann's calculations are relatively simple: with excess stocks of 9 million bags (in comparison with levels at the time of the OIC) in the hands of the consumer countries, with stable reserves in the hands of the producer countries, and with exportable production of 6 million bags less than world demand, equilibrium would have to be reached in less than 18 months.

Given the imbalance between demand and production, the market should already have reacted. And it has not done so—or it had not done so up to the signing of the Document of San Salvador—basically "because the market is undercapitalized."

The important thing for Neumann, in any case, is that the market recover its discipline. And, therefore, he regrets that the producers did not accept the agreement proposed by the United States a year ago. "It was not the best proposal, but it was better than anything that has happened since."

Correction to Congress Approves Electoral Law

PA1009153793

The following correction pertains to the item headlined "Congress Approves Electoral Law; Sets Election Dates," published in the 10 September Latin America DAILY REPORT, page 22. Column one, fourth sentence reads: ...weeks after the vote count has been finalized. Elections for governors... (rewording for clarity).

Ecuador

Finance Delegation Returns, No Agreements Reached

PA1309184693 Quito Voz de los Andes in Spanish 1300 GMT 13 Sep 93

[From the "Voz Andes" newscast]

[Text] Cesar Robalino, finance and public credit minister, and his advisers arrived in Ecuador after holding talks with international financial institutions in the United States. Although the results of the conversations were not disclosed, it is a fact that no agreement was reached and that only proposals were presented. The minister pointed out that the IMF has knowledge of Ecuador's future policies and will work on the proposals based on these policies in the coming months.

Peruvian President Comments on Rio Treaty

PA1309150193 Quito Voz de Los Andes in Spanish 1200 GMT 13 Sep 93

[From "The Voz Andes Newscast"]

[Text] A tense situation has developed at the Ecuadoran Foreign Ministry following Peruvian President Alberto Fujimori's statements concerning compliance with the Rio de Janeiro Agreement. According to Fujimori, Peru wants full compliance of the Rio de Janeiro Agreement, which Ecuador considers void and which is the subject of disagreement between both nations. This point of view contrasts with the efforts both nations are making to reach a final agreement on demarcation and the highest level of cooperation.

Peru

Fujimori Charges Adversaries Planning 'Military Coup'

PA1309201293 Madrid EFE in Spanish 1647 GMT 13 Sep 93

[Text] Lima, 13 Sep (EFE)—The political opposition has decided to "knock at the doors of the garrisons" to prevent a possible government victory in the referendum scheduled to be held 31 October in Peru, Peruvian President Alberto Fujimori charged on 13 September.

The Peruvian president alluded in this way to the existence of an alleged opposition plan to stage a military coup and to thwart the people's will, because the polls have not been favorable to the opposition while giving a broad margin of victory to the government.

Fujimori also accused his adversaries of engaging in a "dirty campaign" in favor of its "no" campaign and propagating "false messages" about the contents of the constitution, which will be submitted to a referendum after being approved by Congress last week. Also, he said main opposition parties met a few days ago in a Lima hotel "to seek a strategy that includes destabilizing the government by knocking at the doors of the garrisons."

Fujimori admitted that the referendum, in fact, will be a plebiscite on his government's work, "because the opposition wants it that way."

The referendum campaign began last week, but it gained strength over the past few days with both sides exchanging serious accusations.

The opposition tried to prevent Fujimori from participating in the referendum, based on the existing Election Law, but the president decided to actively head the campaign for a "yes." The Peruvian president also was accused of overstepping his powers to get votes, distributing items such as computers and tools among the poorest towns, and inaugurating schools and other public works.

Fujimori has responded in kind by saying the opposition "only seeks to defend its own particular interests" and that he will head the "yes" campaign to prevent "the traditional politicians from returning to seize the people's money." He described as "living dead politicians" those members of the radical opposition who do not have representatives in Congress, as well as members of the National Commission for No, which is organized by the radical opposition and some parties represented in the parliament.

Fujimori said that if the referendum goes the way of a "no" vote, a "situation of conflict" would ensue, because "the 1979 Constitution would go into effect," and this would clearly go against the structural reforms launched by his government in 1990.

Javier Alva Orlandini, former senator from the Popular Action Party, said for his part that if the "yes" loses, Mr. Fujimori should resign and immediately call presidential elections. The radical left maintains also that if the opposition wins the referendum, Fujimori should give way to a "provisional government" headed by former UN Secretary General Javier Perez de Cuellar. Polls, however, show that 59 percent of the voters favor "yes," while a little more than 20 percent favor "no."

Fujimori on Constitutional Draft

PA1309224893 Lima Panamericana Television Network in Spanish 1200 GMT 13 Sep 93

[From the "Good Morning Peru" Newscast]

[Text] President Alberto Fujimori has said that nobody will prevent him from continuing his campaign in favor of the new constitutional draft. The chief of state said he will continue to tour the length and breadth of Peru, showing the good things about the new constitutional draft bill. He said this during his recent visit to Puno and Juliaca.

[Begin Fujimori recording] On the anniversary of Abimael Guzman's capture, the number one criminal in the world, and on inaugurating this overpass, we are demonstrating that Peru is working for peace and development. We are working for peace in an all out struggle

against criminal terrorists. We are working for development by inaugurating—almost daily—roads, canals, and schools for the towns that have long been neglected. This is the government platform that the people support, and they say Yes to development. [applause]

When I was on a three-wheeler on my way to the airport, I saw the difficulties faced by passengers and people on three-wheelers on this avenue. I asked them, why don't they make this avenue serviceable? The people accompanying me in the three-wheeler caravan responded: Mr. President, do so. I accepted the challenge and no sooner said than done. The Army contributed its manpower, and the government obtained the equipment here. You can see all the marvels that will continue, not only this initial phase. I am a very persevering man and will continue this project. [applause]

The terrorists will no longer destroy our bridges; thus, there will not be as many power outages as in the past. Politicians are not going to stop me from building the projects needed by the people. They will say no, but I will say yes. Yes, I will continue the projects. [applause] [end recording]

Poll on Possible Presidential Race Candidates

PA1309163593 Lima Panamericana Television Network in Spanish 0200 GMT 13 Sep 93

[Announcer-read report over video from the "Panorama" program]

[Text] The latest poll conducted by Apoyo Stock Co. for "Panorama" reveals very interesting information regarding various figures who are viewed as possible presidential candidates. [video shows charts based on results of poll]

In response to the question, would you or would you not vote for the following individuals for president of the Republic, the answers were: Would not vote for Lima Mayor Ricardo Belmont, 54 percent; would vote for Belmont, 34 percent; would not vote for Former President Fernando Belaunde, 80 percent; would vote for Belaunde, 13 percent; would not vote for former Economy Minister Carlos Bolona, 84 percent; would vote for Bolona, 10 percent; would not vote for Mario Vargas Llosa, 88 percent; would vote for Vargas Llosa, 7 percent; would not vote for Former President Alan Garcia, 94 percent; would vote for Garcia, 3 percent; would not vote for Luis Bedoya Reyes, secretary general of the Popular Christian Party, 85 percent; would vote for Bedoya Reyes, 10 percent; would not vote for Carlos Manrique, director of the Latin American Business Advisory Center, 94 percent; would vote for Manrique, 2 percent.

As for Former UN Secretary General Javier Perez de Cuellar, 61 percent said they would vote for him and 27 percent would not. Regarding current President Fujimori, 60 percent would vote for him; 31 percent would not.

Finally, in response to the question who would you vote for if the elections were held tomorrow and the candidates were Alberto Fujimori and Javier Perez de Cuellar, 45 percent favored Fujimori and 34 percent favored Perez de Cuellar; 15 percent were uncertain or did not respond.

Uruguay

Artigas Guard Issues Document Supporting Armed Forces

PY1309235493 Montevideo BRECHA in Spanish 3 Sep 93 p 4

[Text] The Artigas Guard—an underground organization made up of Army members, who claimed responsibility for some dynamite attacks perpetrated last year, such as the one on Julio Maria Sanguinetti's office—resurfaced this week, although in a more peaceful manner. It merely distributed a document, a "Preview of Bulletin No. 2"—a vitriolic criticism of Executive Branch actions during the recent military crisis, and of generals' behavior. A copy of this document was submitted by an Army officer to the daily EL OBSERVADOR ECONOMICO on 31 August.

Having stated that "the discord and struggle between some generals is a problem that concerns only them," the Guard calls upon the middle commands to take no part in this dispute. The document states that there is skepticism in the Armed Forces about its ability as an institution, as well as "a total lack of trust in its commands" (even though the Guard admits there are exceptions). The document warns about the risks that such a situation may entail, namely "the moral and even physical disintegration" of the institution. It argues that "the process of collective deterioration that is eating away the whole of society is now being felt at a military level."

The Artigas Guard is of the opinion that the Armed Forces have been "roughly handled on countless occasions" by political powers, and have seen their material force cut down and their moral force vilified.

The document also comments on the "infighting within the different factions of (the Armed Forces) commands" and argues that the Armed Forces as a whole "do not assume their responsibilities, and have let the institution become a hostage of the court intrigues concerning the ruling party that happens to be in office, thus leaving it at the mercy of public mockery."

The so-called "preview," which was allegedly conceived as an in-house publication, closes with a thought that is as explosive as the record of the Artigas Guard: "When our homeland and the Army are threatened, everything is permissible, except letting them perish."

Neither the Defense Ministry nor any other authority made any comments about this document published by the EL OBSERVADOR ECONOMICO.